

February 17, 2009 Regular Meeting

BENICIA CITY COUNCIL

REGULAR MEETING AGENDA

City Council Chambers

February 17, 2009

7:00 P.M.

*Times set forth for the agenda items are estimates.*

*Items may be heard before or after the times designated.*

I. CALL TO ORDER (7:00 P.M.):

II. CLOSED SESSION:

III. CONVENE OPEN SESSION:

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF PUBLIC

IV. ANNOUNCEMENTS/APPOINTMENTS/PRESENTATIONS/ PROCLAMATIONS:

A. ANNOUNCEMENTS:

1. Announcement of action taken at Closed Session, if any.

2. Openings on Boards and Commissions:

Sky Valley Open Space Committee:

One unexpired term to September 30, 2010

One full term to January 31, 2013

Parks, Recreation and Cemetery Commission:

One unexpired term to March 31, 2010

3. Mayor's Office Hours:

Mayor Patterson will maintain an open office every Monday (except holidays) in the Mayor's Office of City Hall from 6:00 p.m. to 7:00 p.m. No appointment is necessary. Other meeting times may be scheduled through the City Hall office at 746-4200.

B. APPOINTMENTS:

1. [Appointment of Donald Dean to the Planning Commission for one full term to January 31, 2013](#)

2. [Reappointment of Lee Syracuse to the Planning Commission for one full term to January 31, 2013](#)

3. [Reappointment of Ruth Workman to the Board of Library Trustees for one full term to January 31, 2012](#)

4. [Reappointment of Carole Nail to the Board of Library Trustees for one full term to January 31, 2012](#)

5. [Reappointment of Ralph DeJesu to the Finance, Audit and Budget Committee for one full term to January 31, 2013](#)

6. [Appointment of Dennis Lowry to the Finance, Audit and Budget Committee for one full term to January 31, 2013](#)

7. [Appointment of Leland Wines to the Finance, Audit and Budget Committee for one full term to January 31, 2011](#)

8. [Appointment of Claire McFadden to the Open Government Commission for one full term to January 31, 2013](#)

**C. PRESENTATIONS:**

**D. PROCLAMATIONS:**

**V. ADOPTION OF AGENDA:**

**VI. OPPORTUNITY FOR PUBLIC COMMENT:**

This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the agenda that is within the subject matter jurisdiction of the City Council. State law prohibits the City Council from responding to or acting upon matters not listed on the agenda.

Each speaker has a maximum of five minutes for public comment. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of your entire group. Speakers may not make personal attacks on council members, staff or members of the public, or make comments which are slanderous or which may invade an individual's personal privacy.

**A. WRITTEN COMMENT**

**B. PUBLIC COMMENT**

**VII. CONSENT CALENDAR (7:30 P.M.):**

Items listed on the Consent Calendar are considered routine and will be enacted, approved or adopted by one motion unless a request for removal or explanation is received from a Council Member, staff or member of the public. Items removed from the Consent Calendar shall be considered immediately following the adoption of the Consent Calendar.

**A. [Approval of Minutes of January 27, 2009 and February 3, 2009.](#) (City Clerk)**

**B. [Notice of Completion and approval of change orders for East 5th Street Smart Growth Project.](#) (Public Works Director)**

This grant funded project constructed bicycle lanes, pedestrian alley crossings, and bulb-outs with high visibility crosswalks at 3 locations on East 5th Street. These air-friendly improvements help to calm traffic and encourage alternative modes of transportation such as walking, bicycling, and transit use. The project was completed within its approved budget. Formal acceptance of the project by the City Council is now required to allow final payment to be made to the contractor.

**Recommendation:** Adopt a resolution accepting the East 5th Street Smart Growth Project as complete, including approval of Change Order Nos.1 through 4, authorizing the City Manager to sign the Notice of Completion, and authorizing the City Clerk to file same with the Solano County Recorder.

**C. [Vacation of utility easement at 626-636 First Street.](#) (Public Works Director)**

The utility easement at 622-626 First Street is proposed to be vacated on the final parcel map for the three-lot subdivision at 622-636 First Street. The easement is not needed for current or future utilities and approving the vacation is a necessary step for the final parcel map to be approved.

**Recommendation:** Adopt a resolution vacating the utility easement at 622-626 First Street and authorizing the City Clerk to execute the City Council Certificate on the final parcel map on behalf of the City.

**D. [Resolution for State Grants \(Tree Program\).](#) (Parks & Community Services Director)**

In the Fall of 2008 staff applied for three Cal Fire State grants for our burgeoning urban forestry program. Two of the City's applications were ranked high enough to continue

through the grant process. The City remains eligible to win an award of \$25,000 for a tree education program and \$75,000 for a tree inventory. A resolution from the City Council approving the filing of these applications is a requirement of the next phase of the grant process. The submittal deadline for these second-round applications is February 23, 2009. Recommendation: Adopt the proposed resolution approving the filing of two application for "Proposition 40 and 84" Urban Forestry Grant Program Funds.

E. Approval to waive the reading of all ordinances introduced and adopted pursuant to this agenda.

#### VIII. PUBLIC HEARINGS:

A public hearing should not exceed one hour in length. To maximize public participation, the council requests that speakers be concise and avoid repetition of the remarks of prior speakers. Instead, please simply state whether you agree with prior speakers.

#### IX. ACTION ITEMS (7:40 P.M.):

##### A. Presentation of the comprehensive annual financial report for the fiscal year ending June 30, 2008 and recognition of Certificate of Achievement for Excellence in Financial Reporting for the June 30, 2007 report. (Finance Director)

The City of Benicia receives an annual independent audit of its financial records and, upon completion, produces a CAFR. This year's audit was conducted under the direction of Vikki Rodriguez, Shareholder at Maze and Associates, and presented to the Finance, Audit and Budget Committee (FAB) for consideration on February 6, 2009. The FAB Committee has reviewed the CAFR and recommends approval. The previous year's CAFR received the Award of Excellence from the Government Finance Officer's Association of the United States and Canada. A comparison of the audited results with the amended budget is also presented in the staff report.

Recommendation: Accept the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ending June 30, 2008 and authorize staff to distribute the document to recipient agencies.

##### B. Update on the untreated water delivery agreement with Valero Refining Company - California. (City Attorney)

The existing agreement for the delivery of untreated water to the refinery now owned and operated by Valero Refining Company – California expires on January 31, 2009. The City has been negotiating with Valero to develop a new agreement. Unfortunately, the parties have been unable to agree to one key point regarding the payment of the upfront costs to obtain Solano Irrigation District Water. To permit Valero and staff to arrive at a solution, staff recommends that the Council allow the delivery of untreated water between February 1, 2009 and March 3, 2009.

Recommendation: Continue consideration of this item to the March 3, 2009 City Council meeting to allow resolution of the lump sum payment to Solano Irrigation District (Item 14.ii of the draft agreement).

##### C. Campaign Disclosure Ordinance. (City Attorney)

At the January 6, 2009 City Council meeting, the Council directed that an improved campaign disclosure ordinance be drafted and presented to the Council so that it could take effect prior to the November elections. This ordinance has been drafted with the assistance of Steve Churchwell and incorporates some of the comments from the public as well.

**Recommendation: Introduce the ordinance amending Chapter 1.40 (Disclosure in Candidate Elections) to include additional and more timely disclosure of contributions, expenditures and communications in candidate and ballot measure elections.**

**D. [Benicia Business Park Application](#). (Community Development Director)**

**At its February 3 meeting, the Council directed staff to prepare a resolution to rescind the November 18, 2008 denial of the Benicia Business Park application. This action was taken following a December 3, 2008 council member request for reconsideration and a January 7 facilitated public workshop held to help determine whether a collaborative approach to planning the project with the applicant and the community is feasible. The action also was based on January 23 and February 3 letters from the applicant proposing project review steps, components and timeline. The applicant and Council members have reviewed a staff drafted resolution to rescind denial and have suggested additions. The primary remaining issue appears to be the composition and mission of the citizen advisory panel to oversee the project and make recommendations to Council.**

**Recommendation: Adopt a resolution rescinding denial of the Benicia Business Park application, and direct staff to initiate a new review process, including issuing requests for proposals first for a project manager and next for a specific plan/ environmental impact report preparer.**

**X. [INFORMATIONAL ITEMS \(9:35 P.M.\):](#)**

**A. City Manager Reports**

**B. [Council Member Committee Reports:](#)**

**(Council Members serve on various internal and external committees on behalf of the City. Current agendas, minutes and meeting schedules, as available, from these various committees are included in the agenda packet. Oral reports by Council Members are made only by exception.)**

**1. Mayor's Committee Meeting. (Mayor Patterson)**

**Next Meeting Date: February 18, 2009**

**2. Association of Bay Area Governments (ABAG). (Mayor Patterson & Vice Mayor Campbell)**

**Next Meeting Date: April 23, 2009 – Spring General Assembly**

**3. Finance, Audit & Budget Committee. (Vice Mayor Campbell & Council Member Schwartzman)**

**Next Meeting Date: March 6, 2009**

**4. League of California Cities. (Mayor Patterson & Council Member Schwartzman)**

**Next Meeting Date: February 19, 2009**

**5. School Liaison Committee. (Council Members Ioakimedes & Hughes)**

**Next Meeting Date: March 12, 2009**

**6. Sky Valley Open Space Committee. (Vice Mayor Campbell & Council Member Ioakimedes)**

**Next Meeting Date: May 6, 2009**

**7. Solano EDC Board of Directors. (Mayor Patterson & Council Member Ioakimedes)**

**Next Meeting Date: March 26, 2009**

**8. Solano Transportation Authority (STA). (Mayor Patterson & Council Member Schwartzman)**

**Next Meeting Date: March 11, 2009**

**9. Solano Water Authority/Solano County Water Agency and Delta Committee. (Mayor Patterson & Vice Mayor Campbell)**

**Next Meeting Date: March 12, 2009**

**10. Traffic, Pedestrian and Bicycle Safety Committee. (Vice Mayor Campbell & Council Member Hughes)**

**Next Meeting Date: April 16, 2009**

**11. Tri-City and County Regional Parks and Open Space. (Vice Mayor Campbell & Council Member Hughes)**

**Next Meeting Dates: Citizen's Advisory Committee - February 18, 2009 and Governing Board – March 9, 2009**

**12. Valero Community Advisory Panel (CAP). (Council Member Hughes)**

**Next Meeting Date: To be determined.**

**13. Youth Action Task Force. (Council Members Ioakimedes & Schwartzman)**

**Next Meeting Date: February 25, 2009**

**14. ABAG/CAL FED Task Force/Bay Area Water Forum. (Mayor Patterson)**

**Next Meeting Date: February 23, 2009**

**XI. COUNCIL MEMBER REPORTS:**

**XII. ADJOURNMENT (9:45 P.M.):**

**Public Participation**

**The Benicia City Council welcomes public participation.**

**Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The City Council allows speakers to speak on non-agendized matters under public comment, and on agendized items at the time the agenda item is addressed at the meeting. Comments are limited to no more than five minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the City Council.**

**Should you have material you wish to enter into the record, please submit it to the City Manager.**

**Disabled Access**

**In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact Valerie Ruxton, the ADA Coordinator, at (707) 746-4211. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.**

**Meeting Procedures**

**All items listed on this agenda are for Council discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the City Council.**

**Pursuant to Government Code Section 65009, if you challenge a decision of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. You may also be limited by the ninety (90) day statute of limitations in which to challenge in court certain administrative decisions and**

orders (Code of Civil Procedure 1094.6) to file and serve a petition for administrative writ of mandate challenging any final City decisions regarding planning or zoning.

The decision of the City Council is final as of the date of its decision unless judicial review is initiated pursuant to California Code of Civil Procedures Section 1094.5. Any such petition for judicial review is subject to the provisions of California Code of Civil Procedure Section 1094.6.

#### Public Records

The agenda packet for this meeting is available at the City Manager's Office and the Benicia Public Library during regular working hours. To the extent feasible, the packet is also available on the City's web page at [www.ci.benicia.ca.us](http://www.ci.benicia.ca.us) under the heading "Agendas and Minutes." Public records related to an open session agenda item that are distributed after the agenda packet is prepared are available before the meeting at the City Manager's Office located at 250 East L Street, Benicia, or at the meeting held in the Council Chambers. If you wish to submit written information on an agenda item, please submit to the City Clerk as soon as possible so that it may be distributed to the City Council.

-  [IV-B-1 Dean Appointment.pdf](#)
-  [IV-B-2 Syracuse Appointment.pdf](#)
-  [IV-B-3 Workman Appointment.pdf](#)
-  [IV-B-4 Nail Appointment.pdf](#)
-  [IV-B-5 Dejesu Appointment.pdf](#)
-  [IV-B-6 Lowry Appointment.pdf](#)
-  [IV-B-7 Wines Appointment.pdf](#)
-  [IV-B-8 McFadden Appointment.pdf](#)
-  [VII-A Minutes.pdf](#)
-  [VII-B East 5th Smart Growth.pdf](#)
-  [VII-C Vacation Utility Easement.pdf](#)
-  [VII-D Urban Forestry Grant.pdf](#)
-  [IX-A CAFR.pdf](#)
-  [IX-B Water Delivery Agreement.pdf](#)
-  [IX-C Campaign Disclosure Ord.pdf](#)
-  [IX-D Benicia Business Park App.pdf](#)
-  [X-B-1 Council Committee Reports.pdf](#)

**RESOLUTION NO. 09-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA  
CONFIRMING THE MAYOR'S APPOINTMENT OF DONALD DEAN TO THE  
PLANNING COMMISSION TO A FULL TERM ENDING JANUARY 31, 2013**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Benicia that the appointment of Donald Dean to the Planning Commission by Mayor Patterson is hereby confirmed.

\*\*\*\*\*

The above Resolution was approved by roll call by the City Council of the City of Benicia at a regular meeting of said Council held on the 17<sup>th</sup> day of February, 2009 and adopted by the following vote:

Ayes:

Noes:

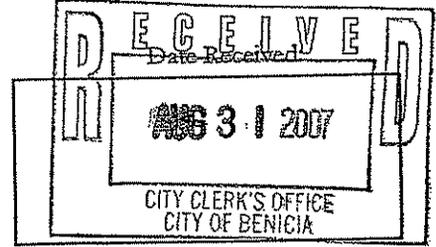
Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

Attest:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

# APPLICATION



**BOARD, COMMITTEE AND COMMISSION APPLICATION**

*It is the intent of the City Council to have Boards, Commissions or Committees composed of people from all geographical, social, environmental and economic sectors of the community and to avoid potential conflicts of interest. (Resolution No. 04-9, Exhibit A, Section IV.A)*

Board, Committee or Commission: Planning Commission

Name: Donald Dean

Address: [REDACTED]

Home Ph: [REDACTED] Work Ph: \_\_\_\_\_

E-mail: donaldj.dean@sbcglobal.net FAX: \_\_\_\_\_

Job Title: Environmental Planner Employer: self-employed

Employer Address: N/A

Do you reside in Benicia?  Yes  No If so, how long? 10 years

Please indicate any particular times/days that you are unavailable for meetings:  
\_\_\_\_\_  
\_\_\_\_\_

Please submit a statement on a separate sheet that includes the following:

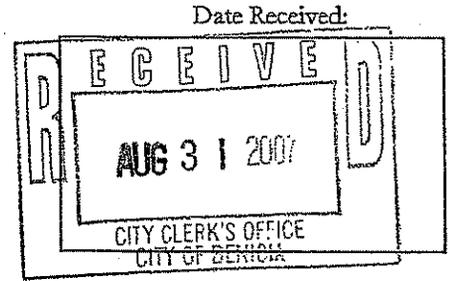
- Your education (please include name of institution(s) and discipline(s) studied) and prior governmental and nongovernmental experience.
- Include any city/county/state committees or commissions you have served on. Please describe its function, where, when and for how long did you serve.
- Include any community groups or organizations you are or were affiliated with, as well as any office you hold or previously held.
- Why you desire to serve— your own goals and objectives for your term of office.

Applicant Signature: Donald Dean Date: 8/31/07

Please return completed applications to the City Clerk's Office at 250 East L Street, Benicia  
- Applications may also be faxed to 707-747-8120 -

Please note that your completed application is a public document that may be included in a  
City Council Meeting Agenda Packet.

It will also be available to members of the public upon request.



SUPPLEMENTAL APPLICATION

Planning Commission  
Historic Preservation Review Commission

If appointed to any of the above-noted boards, committees or commissions, you may be asked to complete a Form 700 disclosing your financial interests. In anticipation of this requirement, please respond to the following items on a separate sheet of paper and submit to the City Clerk's Office with your completed application.

- In order to assess any potential conflicts of interest, please indicate below the addresses of any property owned in addition to your primary residence.

None

- Please indicate any real property leases over 30 days:

None

- Please indicate below interest in any local businesses:

None

Signature of Applicant: Donald J. [Signature] Date: 8/31/07

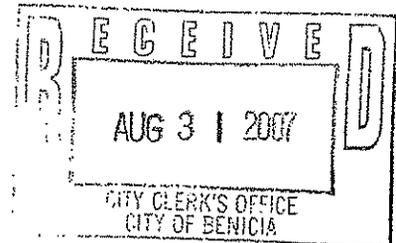
Please note that your completed application is a public document that may be included in a City Council Meeting Agenda Packet.

It will also be available to members of the public upon request.

Donald J. Dean

Benicia, CA 94510

donaldjdean@sbcglobal.net



## **Education**

University of California, Berkeley: Master's Degree, City and Regional Planning (MCP), 1984.

State University of New York at Cortland: Bachelor of Arts (BA) History, 1975.

## **Experience**

Twenty-three years experience in the planning field. Currently self-employed as a planning consultant preparing environmental documents for public agencies in the Bay Area and northern California to comply with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). Current and past clients include the San Francisco Bay Area Rapid Transit District, the County of Sonoma, and the cities of Orinda, Moraga, and San Ramon. Former member of Historic Preservation Review Commission.

## **Community Affiliations**

Current member, former President of the Board, Friends of the Benicia Arsenal

## **Goals and Objectives**

- Provide a consistent planning process for all applicants.
- Continue to provide leadership on land use issues, as the Planning Commission embodies the institutional knowledge related to land use issues in the city.
- Ensure that individual projects are considered within the framework of the city's long-term planning goals and General Plan.
- Integrate the environmental process into the city's planning process to a greater degree than at present.
- Maintain and enhance the integrity of the city's historic districts.
- Encourage historic tourism and related development.

**IV-B-1-5**

**RESOLUTION NO. 09-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA  
CONFIRMING THE MAYOR'S REAPPOINTMENT OF LEE SYRACUSE TO THE  
PLANNING COMMISSION TO A FULL TERM ENDING JANUARY 31, 2013**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Benicia that the reappointment of Lee Syracuse to the Planning Commission by Mayor Patterson is hereby confirmed.

\*\*\*\*\*

The above Resolution was approved by roll call by the City Council of the City of Benicia at a regular meeting of said Council held on the 17<sup>th</sup> day of February, 2009 and adopted by the following vote:

Ayes:

Noes:

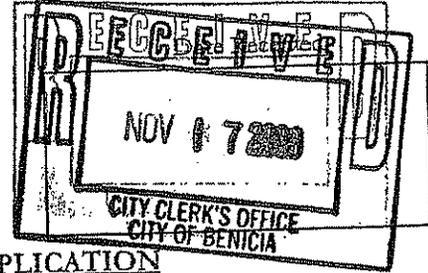
Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

Attest:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

# **APPLICATION**



**BOARD, COMMITTEE AND COMMISSION APPLICATION**

It is the intent of the City Council to have Boards, Commissions or Committees composed of people from all geographical, social, environmental and economic sectors of the community and to avoid potential conflicts of interest. (Resolution No. 04-9, Exhibit A, Section IV.A) Application for Reappointment

Board, Committee or Commission: Benicia Planning Commission

Name: Lee Anthony Syracuse

Address: [REDACTED]

Home Ph: [REDACTED] Work Ph: SAME

E-mail: NA FAX: NA

Job Title: City Planner (ret.) Employer: City of Benicia

Employer Address: 250 East L Street, Benicia, Calif. 94510

Do you reside in Benicia?  Yes  No If so, how long? 36 YEARS

Please indicate any particular times/days that you are unavailable for meetings:  
NONE

Please submit a statement on a separate sheet that includes the following:

- Your education (please include name of institution(s) and discipline(s) studied) and prior governmental and nongovernmental experience.
- Include any city/county/state committees or commissions you have served on. Please describe its function, where, when and for how long did you serve.
- Include any community groups or organizations you are or were affiliated with, as well as any office you hold or previously held.
- Why you desire to serve— your own goals and objectives for your term of office.

Applicant Signature: Lee Anthony Syracuse  
Nov. 15, 2008

Please return completed applications to the City Clerk's Office at 250 East L Street, Benicia  
- Applications may also be faxed to 707-747-8120 -

Please note that your completed application is a public document that may be included in a City Council Meeting Agenda Packet.

It will also be available to members of the public upon request.



## Planning Commission Application

In addition to completing the City of Benicia Board/Commission/Committee Application form, please respond to the following questions:

1. What interests you about this Commission? Have you attended a Planning Commission meeting? If so, when?

*As a professional Planner, the actions of the Planning Commission are of great interest to me. They represent the future, and as such, bear the attention and concern of every Benician. I have served the Planning Commission for this last year.*

2. Participation on this Commission involves monthly meetings, periodically special meetings, and possibly attending community events related to planning. Do you feel you have the time and commitment to be a viable member of this Commission?

*I have the time and commitment to be a viable member of the Planning Commission.*

3. Is there a particular segment of planning and development that interests you more than others?

*I find interest in the visual impact of Benicia. When I first came here some 36 years ago, the visual concerns, at the very least, were hit and miss concerns. While things have improved to some degree, there are still "holes" in overall design. For example, there is no overall planting plan in Old Town, median stripes look like dust collectors, and the two recently built buildings on First St. bear no relation to each other.*

4. Why do you think planning needs to play a lead role in fortifying the quality of life in Benicia? Do you see an area of planning that needs to be expanded at this point? How does zoning reinforces the goal of the General Plan?

*Planning ahead provides control over the expected and the unexpected. For example, extensive population growth is expected in the Northern Bay Area, in the next ten years. Under pressure, the quality of life in Benicia, could be challenged. The City can plan ahead or wait to be overwhelmed by the pressures of growth.*

*Too often, the City reacts to future development rather than state its desires before the application for development is made. For example, there is a large vacant lot on First St. across from the Union Hotel & the North East corner of East D Street and First St. This is an important cross street lot leading to the waterfront. Would it not be ideal if the City could provide drawings of how this lot could be developed before a development request is made by the owner?*

(OVER)

CONTINUED FROM PRIOR PAGE

The goals of the General Plan state what the City desires in the growth and development of Benicia. On the whole, its goals are generally broad and sweeping. Zoning, on the other hand, carries out these goals in a specific manner. In short, the General Plan states the controls over what is desired for the proper development of the City and Zoning specifies the controls which make them a reality.

Lee Anthony Syracuse  
Nov 15, 2008

**RESOLUTION NO. 09-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA  
CONFIRMING THE MAYOR'S REAPPOINTMENT OF RUTH WORKMAN TO THE  
BOARD OF LIBRARY TRUSTEES TO A FULL TERM ENDING JANUARY 31, 2012**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Benicia that the reappointment of Ruth Workman to the Board of Library Trustees by Mayor Patterson is hereby confirmed.

\*\*\*\*\*

The above Resolution was approved by roll call by the City Council of the City of Benicia at a regular meeting of said Council held on the 17<sup>th</sup> day of February, 2009 and adopted by the following vote:

Ayes:

Noes:

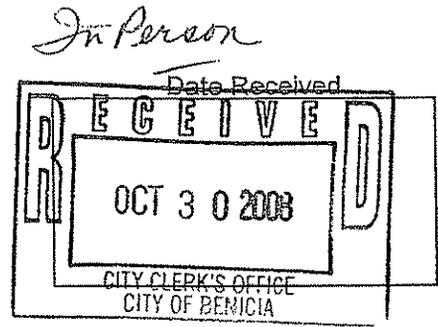
Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

Attest:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

# **APPLICATION**



### City of Benicia Board/Commission/Committee Application

It is the intent of the City Council to have Boards, Commissions or Committees composed of people from all geographical, social, environmental and economic sectors of the community and to avoid potential conflicts of interest.

Please check the board, commission, or committee you wish to apply for:

- Audit & Finance Committee
- Benicia Housing Authority Board of Commissioners
- Board of Library Trustees
- Building Board of Appeals
- Civil Service Commission
- Economic Development Board
- Historic Preservation Review Commission
- Human Services & Arts Board
- Open Government Commission
- Parks, Recreation & Cemetery Commission
- Planning Commission
- Sky Valley Open Space Committee

Name: *Ruth M. Workman*

Address: [REDACTED]

Phone: (Work) [REDACTED] (Home) [REDACTED]

(Cell) [REDACTED] Fax: *N/A*

Email: *ruthworkman@hotmail.com* Years as Benicia resident: *63*

Occupation/Employer: *retired*

Please note your most recent community or civic volunteer experience: *Member of Benicia Library Board of Trustees, Member Cultural Arts Committee*

Please describe any applicable experience/training: *CALTHE Library Board Training (2x), Legislative Training, AB1234 Training, Calif. History of the Past Project Training etc.*

All applications are considered public records and will be retained in an active file for at least one year from date of receipt.

Signature: *Ruth M. Workman* Date: *10/30/08*



## Board of Library Trustees Application

In addition to completing the City of Benicia Board/Commission/Committee Application form, please respond to the following questions:

1. What interests you about this Board? Do you frequently use the Benicia Public Library?

*Having completed 2 terms on this Board, I see the importance of having a long-time Benicia resident serve as a member. I am a life long lover of the Benicia Library & feel a part of its history. I wish to continue in my capacity as a Board Member & serve the community.*

2. Participation on this Board involves supporting the Library in a number of venues. These sometimes include: attending monthly Board of Library Trustees' meetings, taking trips to Sacramento, appearing at City Council meetings, and attending programs and events. Do you feel you have the time and commitment to be a viable member of this Board?

*Yes! I believe I have only missed two Board meetings over the last several years and have attended various meetings throughout the County & No. Calif. I feel it is very important for Board Members to attend as many programs/events as possible.*

3. Are there any particular segments of library services that interest you more than others?

*I am very interested in the extended oral history project & would love to see it completed with my assistance. Having worked with the Director & other Board Members on various uncompleted items, i.e. the basement finishing process, etc. I would enjoy continuing towards an outcome.*

4. The Benicia Public Library contributes to the success of our diverse community by being a vital center of learning, communication, culture and enjoyment. Why do you think library services need to play a lead role in enhancing the quality of life in Benicia? Do you see an area of library services that needs to be expanded at this point?

*Particularly in our current economic environment, our wonderful library provides Benicia with an outstanding list of opportunities for its citizens to enjoy - books, CDs, DVDs, computers, art & movie programs, ESL classes, therapy classes for all ages, etc. I would love to see us continue to provide & expand all of the above so that all segments of our society may continue to use & enjoy the programs provided!*

**RESOLUTION NO. 09-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA  
CONFIRMING THE MAYOR'S REAPPOINTMENT OF CAROLE NAIL TO THE  
BOARD OF LIBRARY TRUSTEES TO A FULL TERM ENDING JANUARY 31, 2012**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Benicia that the reappointment of Carole Nail to the Board of Library Trustees by Mayor Patterson is hereby confirmed.

\*\*\*\*\*

The above Resolution was approved by roll call by the City Council of the City of Benicia at a regular meeting of said Council held on the 17<sup>th</sup> day of February, 2009 and adopted by the following vote:

Ayes:

Noes:

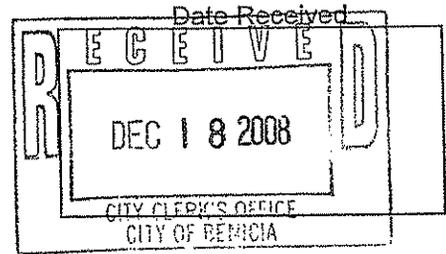
Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

Attest:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

# APPLICATION



### City of Benicia Board/Commission/Committee Application

It is the intent of the City Council to have Boards, Commissions or Committees composed of people from all geographical, social, environmental and economic sectors of the community and to avoid potential conflicts of interest.

Please check the board, commission, or committee you wish to apply for:

- Audit & Finance Committee
- Benicia Housing Authority Board of Commissioners
- Board of Library Trustees
- Building Board of Appeals
- Civil Service Commission
- Economic Development Board
- Historic Preservation Review Commission
- Human Services & Arts Board
- Open Government Commission
- Parks, Recreation & Cemetery Commission
- Planning Commission
- Sky Valley Open Space Committee

Name: Carole Nail

Address: [REDACTED]

Phone: (Work) [REDACTED] (Home) [REDACTED]

(Cell) [REDACTED] Fax: [REDACTED]

Email: cgmail@aol.com Years as Benicia resident: 16+

Occupation/Employer: HR Supervisor - Valero Refining Co

Please note your most recent community or civic volunteer experience: \_\_\_\_\_

Currently serve on the Library Board; member of Friends of Library; Volunteer on projects supported by Valero (BCAE, Humane Society)

Please describe any applicable experience/training: \_\_\_\_\_  
Have served on Library Board since 1999. Attended Board Effectiveness Training from CAL-TAC

All applications are considered public records and will be retained in an active file for at least one year from date of receipt.

Signature: Carole Nail Date: 12/12/08

**IV-B-4-3**

## BOARD OF LIBRARY TRUSTEES APPLICATION

### CAROLE NAIL – PART 2

**1. *What interests you about this Board? Do you frequently use the Benicia Public Library?***

I consider our library as a great equalizer in that resources are available to all regardless of race, gender, age, ethnicity, or economic status. My family had limited economic resources, yet I was able to succeed academically and become the first member of my family to graduate from college because of the information available to me at my local library. I want to help pass along this same advantage to the children of my community. The efforts of the Library Board of Trustees help to ensure that resources and services continue to be available to all who want them.

I frequent not only the Benicia Library, but when I travel I make it a point to visit the libraries wherever I am. Through speaking to the librarians and directors, I've learned about their programs and successes and I've then been able to share them with our library.

**2. *Participation on the Board involves supporting the Library in a number of venues. These sometimes include: attending monthly Board of Library Trustees' meetings, taking trips to Sacramento, appearing at City Council meetings, and attending programs and events. Do you feel you have the time and commitment to be a viable member of this Board?***

I have served on the Library Board since 1999. Over that time, I feel that I've been a contributing member in that I've missed very few meetings, attended Legislation Day in Sacramento whenever my work schedule would allow, represented the Library Board's positions on various topics to the City Council, as well as accepted proclamations on the Board's behalf, served as docent during the Abe Lincoln and Queen Elizabeth exhibits, attended CALTAC seminars and Board training sessions, and attended many cultural events.

As an HR professional, I've been a member of the interview panels for the recruitments of the current Literacy Coordinator and Library Director.

In addition, I feel very fortunate to work for a company that sponsors organizations and programs supported by its employees. As an advocate of the Benicia Library, I've been able to represent its interests to Valero and have successfully obtained financial support for the annual Literacy Bees, as well as multiple grants for children programs, one of which helped the Library to obtain a matching state grant.

**3. *Are there any particular segments of library services that interest you more than others?***

While all of our programs are worthwhile, my favorite projects involve getting books into the hands of children. Reading, and the pure love of books, is the greatest gift given to me by my parents. I want to pass that along. I've been a tutor in the Reading Recovery Program at Mary Farmer School over the years, and I cannot describe the look on a child's face when the light bulb comes on and they can actually read words and sentences. Instead of struggling to simply read the words, a good reader will be able to spend their time thinking about what the words mean and how to expand upon the knowledge that is theirs. There isn't a better tool that can be given to a child.

**4. *The Benicia Library contributes to the success of our diverse community by being a vital center of learning, communication, culture and enjoyment. Why do you think library services need to play a lead role in enhancing the quality of life in Benicia? Do you see an area of library services that needs to be expanded at this point?***

I was on the Library Board when we adopted this first sentence as our mission statement. In many ways, the Library is the heartbeat of our community. Again, all of our resources are available to everyone at no cost – books, videos, computers, educational programs, tutors, study zones. How fortunate we are that a library in a town as small as Benicia has been chosen to receive traveling exhibits such as the Prairie, Abe Lincoln, Queen Elizabeth, and the upcoming one on John Adams. Our teens are able to gather in an environment rich with opportunities to learn and grow; attendance is increasing with each event. The Literacy Program helps adults to read and be better equipped to contribute to the overall success of the community. Our library provides resources to help small businesses. All of these things substantially enhance the quality of life in Benicia.

But in order to be able to provide all of these services to a growing community, we will need adequate space. With the current economic downturn and its residual effect in the next few years, I expect even more people to turn to the library as a source of education and entertainment. We've already outgrown our capacity and I wholly support the library expansion project.

Thank you for the opportunity to reapply for a position on the Library Board of Trustees.

*Carole Nair*

**RESOLUTION NO. 09-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA  
CONFIRMING THE MAYOR'S REAPPOINTMENT OF RALPH DEJESU TO THE  
FINANCE, AUDIT AND BUDGET COMMITTEE TO A FULL TERM ENDING  
JANUARY 31, 2013**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Benicia that the reappointment of Ralph DeJesu to the Finance, Audit and Budget Committee by Mayor Patterson is hereby confirmed.

\*\*\*\*\*

The above Resolution was approved by roll call by the City Council of the City of Benicia at a regular meeting of said Council held on the 17<sup>th</sup> day of February, 2009 and adopted by the following vote:

Ayes:

Noes:

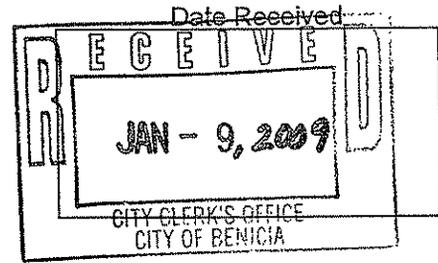
Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

Attest:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

# APPLICATION



**City of Benicia Board/Commission/Committee Application**

It is the intent of the City Council to have Boards, Commissions or Committees composed of people from all geographical, social, environmental and economic sectors of the community and to avoid potential conflicts of interest.

Please check the board, commission, or committee you wish to apply for:

- Finance, Audit & Budget Committee
- Benicia Housing Authority Board of Commissioners
- Board of Library Trustees
- Uniform Code Board of Appeals
- Civil Service Commission
- Economic Development Board
- Historic Preservation Review Commission
- Human Services & Arts Board
- Open Government Commission
- Parks, Recreation & Cemetery Commission
- Planning Commission
- Sky Valley Open Space Committee

Name: RAIPIH DeJESU

Address: [REDACTED]

Phone: (Work) [REDACTED] (Home) [REDACTED]

(Cell) [REDACTED] Fax: [REDACTED]

Email: RAIPIHDeJESU@COMCAST.NET Years as Benicia resident: 6

Occupation/Employer: Retired

Please note your most recent community or civic volunteer experience: [REDACTED]

PRESIDENT RANCHO BENICIA HOMEOWNERS  
CURRENT MEMBER FAB COMMITTEE

Please describe any applicable experience/training: [REDACTED]

Retired BANK OF AMERICA

All applications are considered public records and will be retained in an active file for at least one year from date of receipt.

Signature: [Handwritten Signature] Date: 12-7-08

**IV-B-5-3**



## Finance, Audit & Budget Committee Supplemental Application

In addition to completing the City of Benicia Board/Commission/Committee Application form, please respond to the following questions:

1. What interests you about serving on the Finance, Audit & Budget Committee? Please describe your familiarity with the Committee.  
*CURRENTLY ON AUDIT AND FINANCE COMMITTEE*
2. Please list current and past volunteer positions.  
*AUDIT + FINANCE COMM.  
FORMER TRES. BENICIA HISTORIC MUSEUM  
PRESIDENT RAMON BENICIA HOMEOWNERS*
3. Participation on this Committee involves supporting the Finance, Audit & Budget Committee in a number of venues. These include: attending monthly Finance, Audit & Budget Committee meetings and sometimes appearing at City Council meetings. Do you feel you have the time and commitment to be a viable member of this committee?  
*HAVING SERVED THE LAST 5 YRS I CAN CONTINUE TO FULFILL THIS.*
4. If you could achieve one goal during your term as an Finance, Audit & Budget Committee member, what would it be?
5. Is there anything else you would like to share with us regarding your qualifications and/or interests?

RESOLUTION NO. 09-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA  
CONFIRMING THE MAYOR'S APPOINTMENT OF DENNIS LOWRY TO THE  
FINANCE, AUDIT AND BUDGET COMMITTEE TO A FULL TERM ENDING  
JANUARY 31, 2013**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Benicia that the appointment of Dennis Lowry to the Finance, Audit and Budget Committee by Mayor Patterson is hereby confirmed.

\*\*\*\*\*

The above Resolution was approved by roll call by the City Council of the City of Benicia at a regular meeting of said Council held on the 17<sup>th</sup> day of February, 2009 and adopted by the following vote:

Ayes:

Noes:

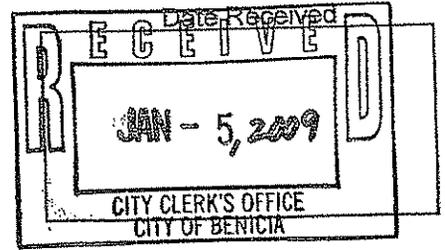
Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

Attest:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

# APPLICATION



### City of Benicia Board/Commission/Committee Application

It is the intent of the City Council to have Boards, Commissions or Committees composed of people from all geographical, social, environmental and economic sectors of the community and to avoid potential conflicts of interest.

Please check the board, commission, or committee you wish to apply for:

- 2.  Audit & Finance Committee
  - Benicia Housing Authority Board of Commissioners
  - Board of Library Trustees
  - Building Board of Appeals
- 1.  Civil Service Commission
  - Economic Development Board
  - Historic Preservation Review Commission
  - Human Services & Arts Board
  - Open Government Commission
  - Parks, Recreation & Cemetery Commission
- 3.  Planning Commission
  - Sky Valley Open Space Committee

# IS ORDER OF PREFERENCE TO BEST MATCH SKILLS.

RESUME AVAILABLE UPON REQUEST.

Name: DENNIS L. LOWRY

Address: [REDACTED]

Phone: (Work) NA (Home) [REDACTED]

(Cell) [REDACTED] Fax: SAME AS HOME - CALL 1ST.

Email: DENNIS.LOWRY@COMCAST.NET Years as Benicia resident: 22

Occupation/Employer: RETIRED (VP OF HUMAN RESOURCES)

Please note your most recent community or civic volunteer experience: NONE

Please describe any applicable experience/training: COMPENSATION DESIGN & IMPLEMENTATION, HR HANDBOOK DEVELOPMENT & IMPLEMENTATION, HR POLICIES & PROCEDURES DEVELOPMENT & IMPLEMENTATION. 10+ YRS EXPERIENCE IN HR.

All applications are considered public records and will be retained in an active file for at least one year from date of receipt.

Signature: Dennis L Lowry Date: 1/2/2009  
IV-B-6-3

DENNIS LOWRY  
JANUARY 5, 2009



## Finance, Audit & Budget Committee Supplemental Application

In addition to completing the City of Benicia Board/Commission/Committee Application form, please respond to the following questions:

1. What interests you about serving on the Finance, Audit & Budget Committee? Please describe your familiarity with the Committee.

*ALLOWING A MEMBER OF THE COMMUNITY TO PROVIDE ADVICE & COUNSEL ON FINANCIAL MATTERS VITAL TO THE LONG TERM VIABILITY OF THE CITY SHOULD PROVIDE A LEVEL OF TRUST & CONFIDENCE TO THE CITIZENS OF BENICIA. I LIKE THAT CONCEPT OF CHECK AND BALANCE.*

2. Please list current and past volunteer positions.

*NONE*

3. Participation on this Committee involves supporting the Finance, Audit & Budget Committee in a number of venues. These include: attending monthly Finance, Audit & Budget Committee meetings and sometimes appearing at City Council meetings. Do you feel you have the time and commitment to be a viable member of this committee?

*YES! I AM RETIRED & WHILE BUSY HAVE MORE THAN ENOUGH TIME FOR THIS COMMITTEE.*

4. If you could achieve one goal during your term as an Finance, Audit & Budget Committee member, what would it be?

*PROVIDE A LEVEL OF ASSURANCE AND TRUST TO THE CITIZENS OF BENICIA THAT THE BUDGET PROCESS WORKS AND IS IN THEIR BEST INTEREST.*

5. Is there anything else you would like to share with us regarding your qualifications and/or interests?

*I HAVE CREATED AND MANAGED BUDGETS IN THE MILLIONS AND BILLIONS. IN ALL CASES, THE BUDGETS HAVE BEEN MET OR UNDERBORN. I HAVE MADE EXTREMELY DIFFICULT DECISIONS TO ACHIEVE THAT GOAL. BRINGING THAT PHILOSOPHY AND DISCIPLINE TO EACH EFFORT I PURSUE.*

**RESOLUTION NO. 09-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA  
CONFIRMING THE MAYOR'S APPOINTMENT OF LELAND WINES TO THE  
FINANCE, AUDIT AND BUDGET COMMITTEE TO A FULL TERM ENDING  
JANUARY 31, 2011**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Benicia that the appointment of Leland Wines to the Finance, Audit and Budget Committee by Mayor Patterson is hereby confirmed.

\*\*\*\*\*

The above Resolution was approved by roll call by the City Council of the City of Benicia at a regular meeting of said Council held on the 17<sup>th</sup> day of February, 2009 and adopted by the following vote:

Ayes:

Noes:

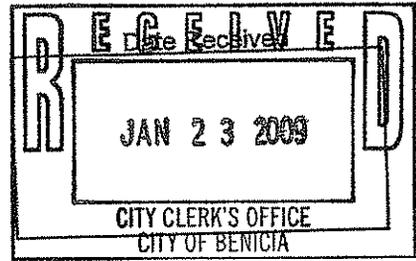
Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

Attest:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

# **APPLICATION**



**City of Benicia Board/Commission/Committee Application**

It is the intent of the City Council to have Boards, Commissions or Committees composed of people from all geographical, social, environmental and economic sectors of the community and to avoid potential conflicts of interest.

Please check the board, commission, or committee you wish to apply for:

- Audit & Finance Committee
- Benicia Housing Authority Board of Commissioners
- Board of Library Trustees
- Building Board of Appeals
- Civil Service Commission
- Economic Development Board
- Historic Preservation Review Commission
- Human Services & Arts Board
- Open Government Commission
- Parks, Recreation & Cemetery Commission
- Planning Commission
- Sky Valley Open Space Committee

Name: Leland (Lee) Wines

Address: [REDACTED]

Phone: (Work) N/A (Home) [REDACTED]

(Cell) [REDACTED] Fax: [REDACTED]

Email: lwines@yahoo.com Years as Benicia resident: 25

Occupation/Employer: Retired - past CFD Bank of Walnut Creek - 23 years

Please note your most recent community or civic volunteer experience: Treasurer -

Country Costa Wine Club (current) Director - 1st Colorado Nat'l Bank.  
Please describe any applicable experience/training: 40 years banking

last 23 yrs as CFD

All applications are considered public records and will be retained in an active file for at least one year from date of receipt.

Signature: Leland E Wines Date: 1/23/09

## **Audit & Finance Committee Supplemental Application**

In addition to completing the City of Benicia Board/Commission/Committee Application form, please respond to the following questions:

1. **What interests you about serving on the Audit & Finance Committee?**  
**Please describe your familiarity with the Committee.**  
I have lived in Benicia for the past 25 years, and having retired from the position of CFO of Bank of Walnut Creek, when it sold at the end of 2006, I feel that my financial experience could be useful to this Committee.
2. **Please list current and past volunteer positions.**  
During the past 40 years in banking (25 years with Bank of Walnut Creek) I have served on numerous banking committees, both in a support roll and as Chairman. Currently I am treasurer of the Contra Costa Wine Group, serve as a financial consultant for a bank in the Bay area and a bank in Colorado, and also serve as a Board Member for the bank in Colorado.
3. **Participation on this Committee involves supporting the Audit & Finance Committee in a number of venues. These include: attending monthly Audit & Finance Committee meetings and sometimes appearing at City Council meetings. Do you feel you have the time and commitment to be a viable member of this committee?**  
I believe that I can make most of the meetings as well as devote sufficient time during the month for review of financial reports. My bank board meetings are during the third week of the month and it is my understanding that the Audit & Finance Committee meetings are on Friday of the 1<sup>st</sup> week of each month.
4. **If you could achieve one goal during your term as an Audit & Finance Committee member, what would it be?**  
To be viewed by other Committee Members as a valued addition to the Committee.
3. **Is there anything else you would like to share with us regarding your Qualifications and/or interests?**
  - a) Forty years in banking, the past 25 as CFO for Bank of Walnut Creek.
  - b) Financial consultant and bank director.
  - c) Experience in working on committee's.
  - d) Long time resident of Benicia.
  - e) Spouse (Mary) served as a teacher's assistant for at-risk-children in the Benicia School District, for many years.

**RESOLUTION NO. 09-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA  
CONFIRMING THE MAYOR'S APPOINTMENT OF CLAIRE MCFADDEN TO THE  
OPEN GOVERNMENT COMMISSION TO A FULL TERM ENDING JANUARY 31,  
2013**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Benicia that the appointment of Claire McFadden to the Open Government Commission by Mayor Patterson is hereby confirmed.

\*\*\*\*\*

The above Resolution was approved by roll call by the City Council of the City of Benicia at a regular meeting of said Council held on the 17<sup>th</sup> day of February, 2009 and adopted by the following vote:

Ayes:

Noes:

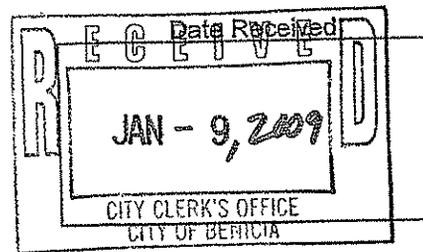
Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

Attest:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

# APPLICATION



### City of Benicia Board/Commission/Committee Application

It is the intent of the City Council to have Boards, Commissions or Committees composed of people from all geographical, social, environmental and economic sectors of the community and to avoid potential conflicts of interest.

Please check the board, commission, or committee you wish to apply for:

- Audit & Finance Committee
- Benicia Housing Authority Board of Commissioners
- Board of Library Trustees
- Building Board of Appeals
- Civil Service Commission
- Economic Development Board
- Historic Preservation Review Commission
- Human Services & Arts Board
- Open Government Commission
- Parks, Recreation & Cemetery Commission
- Planning Commission
- Sky Valley Open Space Committee

Name: Claire M. McFadden

Address: [REDACTED]

Phone: (Work) [REDACTED] (Home) [REDACTED]

(Cell) [REDACTED] Fax: [REDACTED]

Email: vpcloairemc@aol.com Years as Benicia resident: 10+; moved in 2002

Occupation/Employer: Best Western Heritage Inn, Heritage Hotel Group

Please note your most recent community or civic volunteer experience: \_\_\_\_\_

member, Benicia Chamber 1988 to present; Board member 1993-1999, president, 1990; tourism chair 1992-1994; community advisory group  
Please describe any applicable experience/training: "CAG" 1998-2001

active member of business community; experience with tourist property, local city government; knowledge of cities budget process, chamber activities  
All applications are considered public records and will be retained in an active file for at least one year from date of receipt.

Signature: Claire M. McFadden Date: 1-9-09 17+yrs

IV-B-8-3



## Open Government Commission Application

In addition to completing the City of Benicia Board/Commission/Committee Application form, please respond to the following questions:

1. What interests you about the Opening Government Commission?

Throughout the year working with the city of Benicia, I found it a challenge at times until I fully understood how a citizen and/or business can gather information relating to the city. The recent citizen survey is certainly a tribute to the quality of service our city provides.

2. What are your expectations for this Commission and how do you see your role on the Commission?

Given the very efficient and accommodating nature of the city, I believe my role is to build upon the current organization and address any type of concern or issues that may arise specifically relating to communication with the citizens.

3. This Board meets quarterly, typically on a Tuesday evening. Currently the meetings begin at 7:00 pm. In addition, there may be several special meetings of the commission and/or subcommittees during the year. Do you feel you have the time and commitment to be a viable member of this Commission?

I am willing and able to attend any regularly or special scheduled meetings. I believe my experience as well as my interest in public service will be an asset to this committee.

MINUTES OF THE  
SPECIAL MEETING – CITY COUNCIL  
JANUARY 27, 2009

The special meeting of the City Council of the City of Benicia was called to order by Mayor Elizabeth Patterson at 6:00 p.m. on Tuesday, January 27, 2009, in the City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

ROLL CALL:

Present: Council Members Campbell, Ioakimedes, Schwartzman, and Mayor Patterson  
Absent: Council Member Hughes (arrived after roll call)

PLEDGE OF ALLEGIANCE:

Mayor Patterson led the pledge to the flag.

FUNDAMENTAL RIGHTS:

A plaque stating the Fundamental Rights of each member of the public is posted at the entrance to the Council Chambers per Section 4.04.030 of City of Benicia Ordinance No. 05-6 (Open Government Ordinance).

OPPORTUNITY FOR PUBLIC COMMENT:

WRITTEN:

None

PUBLIC COMMENT:

None

ANNOUNCEMENT OF CLOSED SESSION:

Heather McLaughlin, City Attorney, read the announcement of Closed Session

CLOSED SESSION:

**A. CONFERENCE WITH LABOR NEGOTIATOR  
(Government Code Section 54957.6)**

**Agency negotiators: City Manager and Administrative Services Director  
Employee Organizations: Benicia Senior Management Group, Benicia  
Middle Management Group, Police Management Group, Benicia Firefighters  
Association (BFA), Benicia Police Officers Association (BPOA), Benicia  
Dispatch Association (BDA), Local #1, Benicia Public Service Employees'  
Association (BPSEA), BPSEA Part-Time Unit, and Unrepresented  
Employees**

ADJOURNMENT:

Mayor Patterson adjourned the meeting to Closed Session at 6:02 p.m.

RECONVENE OPEN SESSION:

Mayor Patterson reconvened the meeting to Open Session at 6:34 p.m.

ANNOUNCEMENTS:

Action taken in Closed Session:

Ms. McLaughlin reported that Council received information from Staff.

INFORMATIONAL ITEMS:

Review of current economic conditions and the impact of the FY 2008-09 Municipal Budgets:

Jim Erickson, City Manager, introduced the agenda item.

Rob Sousa, Finance Director, reviewed the staff report.

Mayor Patterson asked Mr. Sousa to try and get the specific unemployment data for Benicia. Mr. Sousa stated that he would try and get that information.

Mayor Patterson discussed the unemployment issue, the stimulus bill, and the transportation bill (as discussed at a conference she attended in Albuquerque, New Mexico).

Council Member Schwartzman discussed the current state of local real estate listings, the issue of the temporary hiring freeze (in particular the situation at the Fire Department), STA funding, funding for paving, foreclosure monies, and the unemployment situation.

Council Member Hughes and Staff discussed the contingency plan, how the plan would be prioritized, that the goal is to be in a position where the City could act quickly, the need to have a list that the City could refer to in order to move quickly (with an indication of how quickly we could act noted on that list), whether the 3% and 6% cuts are aggressive enough, and the need to prioritize so that there is the least impact on the City and its services.

Mayor Patterson discussed the need to be cautious regarding cutting the workforce, and developing some choices for Council to consider.

Vice Mayor Campbell and Staff discussed the 6% reduction, at what point the City would need to reduce its reserves, and the issue of the hiring freeze.

Public Comment:

None

Mayor Patterson discussed the reported 40% decline in home values, the need for trend information on home values, the City's sales tax, the possibility of a state tax (which

## DRAFT

would not be shared), the fact that there was a majority vote for a State budget, and the issue of vehicle replacement (not replacing the vehicles could be pennywise and pound foolish).

Council Member Ioakimedes discussed the fact that Benicia is positioned fairly well, that Benicia has consumer confidence, and the need to let people know that we are in a good position.

Vice Mayor Campbell and Staff discussed the status of the Enterprise Funds and Transit Funds.

Council Member Schwartzman and Staff discussed whether there were regulatory requirements that would force the City to do upgrades to the water and wastewater treatment plants.

### ADJOURNMENT:

Mayor Patterson adjourned the meeting at 7:34 p.m.

**MINUTES OF THE  
REGULAR MEETING – CITY COUNCIL  
FEBRUARY 3, 2009**

The regular meeting of the City Council of the City of Benicia was called to order by Mayor Elizabeth Patterson at 7:00 p.m. on Tuesday, February 3, 2009, in the City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

**ROLL CALL:**

Present: Council Members Campbell, Hughes, Ioakimedes, Schwartzman, and Mayor Patterson

Absent: None

**PLEDGE OF ALLEGIANCE:**

Chief Vucurevich led the pledge to the flag.

**FUNDAMENTAL RIGHTS:**

A plaque stating the Fundamental Rights of each member of the public is posted at the entrance to the Council Chambers per Section 4.04.030 of City of Benicia Ordinance No. 05-6 (Open Government Ordinance).

**ANNOUNCEMENTS/APPOINTMENTS/PRESENTATIONS/PROCLAMATIONS:  
ANNOUNCEMENTS:**

**Openings on Boards and Commissions:**

- Sky Valley Open Space Committee:  
One unexpired term to September 30, 2010  
One full term to January 31, 2013
- Parks, Recreation and Cemetery Commission:  
One unexpired term to March 31, 2010

**Mayor's Office Hours:**

Mayor Patterson will maintain an open office every Monday (except holidays) in the Mayor's Office of City Hall from 6:00 p.m. to 7:00 p.m. No appointment is necessary. Other meeting times may be scheduled through the City Hall office at 746-4200.

**APPOINTMENTS:**

**RESOLUTION 09-06 - A RESOLUTION CONFIRMING THE MAYOR'S  
REAPPOINTMENT OF FRED DELTORCHIO TO THE CIVIL SERVICE  
COMMISSION TO A FULL TERM ENDING JANUARY 31, 2013**

The above Resolution was adopted, on roll call by the following vote:

Ayes: Council Members Campbell, Hughes, Ioakimedes, Schwartzman, and Mayor Patterson

Noes: None

## PRESENTATIONS:

### Benicia/Martinez Bridge Landscaping Caltrans Presentation:

Ms. Jeanne Gorham discussed the project Caltrans is working on to provide landscaping at the I-680/I-780 interchange. It is replacement planting associated with the new Benicia/Martinez Bridge. The project is \$3.5 million, including areas on the Martinez side of the bridge as well. The bulk of the landscaping is on the Benicia side of the bridge. She reviewed the plan that showed the planting areas and the plant pallet (copies of handouts on file).

Mayor Patterson and Ms. Gorham discussed the process that would be followed to include the public. It is handled different in each city. She spoke with City Staff and left that up to them. Caltrans would like to have final plans by the end of April. Ms. Gorham stated that they could work directly with a committee and Staff. If there is interest in forming a group of interested community members, they could work with the group.

Mayor Patterson requested Staff come up with a few suggestions and options for a tree committee or small committee. If there is interest by Council Members, they could indicate that to Mr. Erickson.

## PROCLAMATIONS:

- Commendations for Police Corporal Mark Menesini and Paramedic/Firefighter James Ensley
- Recognition of National Black History Month

## ADOPTION OF AGENDA:

Jim Erickson discussed the issue of enforcement of the A-frame sign rules in the City. The City has taken the position that the A-frame signs would be abated on a 'by complaint' basis. Benicia Main Street has requested that the City revisit the sign rules. Mr. Erickson suggested that the Council revisit the issue. The Chamber of Commerce would be asked for its input as well. In the meantime, the sign enforcement would be done when it posed a safety hazard, until Council revisits the issue.

Mayor Patterson asked if the issue was subject to HPRC review and if it was guided by the master plan that was adopted. Staff's indication was that it would be subject to HPRC review, and it was not guided by the master plan that was adopted.

Vice Mayor Campbell asked if the EDB would be involved. Mr. Erickson stated that the EDB could weigh in as well. Vice Mayor Campbell suggested that the discussion should be narrowed to only include the A-frame signs.

Council Member Schwartzman suggested breaking up the sign ordinance to be discussed one issue at a time. He felt that the EDB should be involved.

Council Member Ioakimedes discussed the need to discuss the entire ordinance, not just the A-frame signs.

Mr. Erickson suggested agenda item IX-C be moved ahead of the Benicia Business Park item.

On motion of Council Member Schwartzman, seconded by Council Member Hughes, the Agenda was adopted as amended, on roll call by the following vote:

Ayes: Council Members Campbell, Hughes, Ioakimedes, Schwartzman, and Mayor  
Patterson

Noes: None

OPPORTUNITY FOR PUBLIC COMMENT:

WRITTEN:

Various items submitted (copies on file).

PUBLIC COMMENT:

1. John Furtado – Mr. Furtado discussed the issue of the sign ordinance. He discussed the issue of directional signs to direct people to the artisans and Downtown area, and the issue of spirit cards.
2. Robert Luna – Mr. Luna discussed the issue of A-frame signs, code enforcement, and support for amending the current sign ordinance.

Vice Mayor Campbell suggested putting this issue on the next EDB agenda. Mayor Patterson suggested having the Planning Commission get some background information prior to sending it to the EDB.

CONSENT CALENDAR:

Mayor Patterson noted that she was not present at the January 20, 2009 Council meeting.

On motion of Council Member Schwartzman, seconded by Vice Mayor Campbell, the Consent Calendar was adopted as presented, on roll call by the following vote:

Ayes: Council Members Campbell, Hughes, Ioakimedes, Schwartzman, and Mayor  
Patterson

Noes: None

Council approved the Minutes of January 7, 2009 and January 20, 2009.

ORDINANCE 09-06 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA AMENDING SECTION 5.52.050 (PERMIT NOT REQUIRED) OF CHAPTER 5.52 (MASSAGE) OF TITLE 5 (BUSINESS TAXES, LICENSES AND REGULATIONS) OF THE BENICIA MUNICIPAL CODE BY ADDING A NEW SUBSECTION F TO EXEMPT STATE CERTIFIED PRACTITIONERS OR THERAPISTS

Council approved amending the Professional Services Agreement for the Housing Element.

Approval to waive the reading of all ordinances introduced and adopted pursuant to this agenda.

(END OF CONSENT CALENDAR)

PUBLIC HEARINGS:

None

ACTION ITEMS:

Consideration of request from Benicia Community Arts for extension of the deadline for Request for Funding Applications:

Ann Cardwell, Administrative Services Director, reviewed the staff report.

Council Member Hughes inquired about the programs the applicant currently does in the City.

Public Comment:

1. Stan Houston discussed the transition in the Benicia Community Arts Board. The application slipped through the cracks. They missed the deadline. He requested the deadline be extended. He is prepared to submit the application by end of business day on 2/4/09.
2. Sharon Petrellese – Ms. Petrellese requested the deadline not be extended. She discussed the Human Services and Arts Fund Board's current meeting schedule and problems extending the deadline would cause the board. She requested Council abide by the Human Services and Arts Fund Board's decision.

Council discussed the work that the Benicia Community Arts had done in the community, the importance of meeting deadlines, what would be best for the community, and the work Ms. Weidel has done in the community.

3. Marilyn Bardet – Ms. Bardet spoke in support of extending the deadline.
4. John Furtado – Mr. Furtado spoke in support of extending the deadline.

On motion of Council Member Hughes, seconded by Council Member Ioakimedes, Council agreed to allow Benicia Community Arts to submit a grant application for consideration by the Human Services and Arts Fund Board by end of business day 2/4/09, on roll call by the following vote:

Ayes: Council Members Campbell, Hughes, Ioakimedes, and Mayor Patterson

Noes: Council Member Schwartzman

Denial of an application for a new card room permit for the PASTIME – Continued from the January 6, 2009 City Council Meeting:

Council Member Schwartzman and Vice Mayor Campbell recused themselves due to conflicts of interest.

Deputy Chief Bidou reviewed the staff report.

Council Member Hughes and Staff discussed the issue of the business operating without a license and current licensing rules.

Council Member Ioakimedes and Staff discussed current codes regarding transferring permits and licenses.

Public Comment:

1. Michael Cardoza, Attorney for the Applicant – Mr. Cardoza discussed the issue of permit transference, the steps the applicant has taken so far, the police calls to the Pastime bar, the applicant's request that the Council direct the City to issue the license to his client. The bar has been sold but the card room has not been sold.

Mayor Patterson and Staff discussed the issue of the license, the issue of the expired license, license transfer, the sale of the PASTIME bar, relocation of the card room, and current zoning.

Public Comment:

1. Jon Van Landschoot – Mr. Van Landschoot spoke in support of the denial of application.

Council and Staff discussed the clarity of the Benicia Municipal Code.

RESOLUTION 09-07 - A RESOLUTION DIRECTING THE POLICE DEPARTMENT TO DENY THE APPLICATION FOR A CARD ROOM FOR THE PASTIME

On motion of Council Member Hughes, seconded by Council Member Ioakimedes, the above Resolution was adopted, on roll call by the following vote:

Ayes: Council Members Hughes, Ioakimedes, and Mayor Patterson

Noes: None

Abstain: Council Members Campbell and Schwartzman

Mayor Patterson called for a 5-minute break at 8:39 p.m.

The meeting resumed at 8:47 p.m.

Benicia Business Park Project:

Mayor Patterson asked if the agreement were to be rescinded, whether this would have to be a public hearing.

Jim Erickson, City Manager reviewed the staff report.

Charlie Knox, Community Development Director, reviewed the memo written on 2/3/09 by City Staff (copy on file).

Vice Mayor Campbell and Staff discussed the difference between voting no and rescinding the vote.

Mayor Patterson and Staff discussed the importance of the language in the letter, clean tech and green tech, the level of detail for TDM, the need for a performance factor, and recent fee increases approved on 1/20/09.

Applicant:

Louis Parsons, Discovery Builders, Inc. – Mr. Parsons thanked the City for putting the 1/7/09 meeting together. They want to be simple and straightforward in looking at the

key issues and areas that were brought forward at that meeting. They want to be at the table during the specific plan process. He discussed the communications with BUSD. They are hopeful that the decision of 11/18 is rescinded.

Public Comment:

1. Sabina Yates – Ms. Yates - provided a handout and sat down (copy on file).
2. Marilyn Bardet – Ms. Bardet discussed concerns she has regarding health risk assessment and the need for monitoring at Robert Semple, compliance with AB 32, and the specific plan.
3. Mark Kelley, Miller Brown Dannis – Mr. Kelley discussed concerns regarding the need for mitigation measures regarding the BUSD. He discussed the concerns the District has with the proposed project.
4. Janice Adams, Superintendent, BUSD - Superintendent Adams discussed concerns regarding the impact the project would have on Robert Semple Elementary. The District is in support of the project, as long as they have an enforceable agreement. BUSD sent the City a letter on 11/2 and have not heard back on any of the District's requests. BUSD has spent considerable money and resources with regards to the proposed project.

Mayor Patterson discussed BUSD being a stakeholder in the specific plan process.

5. Dana Dean, Trustee, BUSD Board of Trustees – Trustee Dean discussed the five items of concern included in the letter BUSD sent to the City.

Council Member Schwartzman discussed the option of swapping the Robert Semple site with the Mills site. He discussed the issue of tying the agreement between the developer and BUSD into the development agreement.

Council, Ms. McLaughlin, and Mr. Jarvis discussed the legality of conditioning the City's future ability to proceed with consideration of any legislative act, including a development agreement upon a third party reaching an agreement with another third party.

Council Member Ioakimedes disclosed exparté communications. He suggested an MOU between the applicant and BUSD.

6. Rosie Switzer, President, BUSD Board of Trustees – President Switzer indicated that an MOU would be acceptable if the 5 issues BUSD raised in the letter were included.

Mayor Patterson discussed issues that could be addressed in an agreement or MOU. She suggested the attorneys for BUSD and Seeno communicate with each other in a memo that City Staff could respond to, and then give a couple suggestions on how the City could link the requirements of the performance of an agreement between the developer and BUSD prior to the City's moving forward on something, so that it is a legitimate performance.

7. Brian Harkins – Mr. Harkins spoke in favor of Council rescinding the 11/18 vote.
8. Sabina Yates – Ms. Yates discussed concerns regarding the letter sent by Seeno on 1/23/09.

9. Sue Johnson – Ms. Johnson discussed concerns regarding the proposed project. She spoke in opposition to rescinding the denial of the project.
10. Nicole Goehing – Mr. Goehing discussed concerns regarding the construction labor that would be used for the proposed project.
11. Donald Dean – Mr. Dean discussed concerns and suggestions regarding conditions in the letter submitted by Discovery Builders, Inc.

Mayor Patterson asked Mr. Dean regarding a future study for future use. The City wants to be careful that the City is not implying that it will do a water study after the project consideration. She asked him to put something in writing or in a conversation with Staff regarding clarification about when you do a study and when you don't.

12. Dan Smith – Mr. Smith spoke in opposition to rescinding the denial of the project.
13. Michael Paric – Mr. Paric spoke in favor of Council rescinding the denial of the project.
14. Roger Straw – Mr. Straw discussed the memo written by City Staff on 2/3/09.
15. Jerome Page – Mr. Page discussed concerns regarding the proposed project.
16. Mary Magill – Ms. Magill discussed concerns about the need for mitigations for Robert Semple and the surrounding neighborhoods.
17. Rick Ernst – Mr. Ernst discussed the impacts of rescinding the denial.
18. Jon Van Landschoot – Mr. Van Landschoot suggested giving Seeno and BUSD one month to come up with a binding agreement. He discussed the need for a grading ordinance.
19. Bob Craft – Mr. Craft discussed the need to address the District's concerns.
20. Norma Fox – Ms. Fox spoke in opposition to Council rescinding the denial tonight. She spoke in support of Mayor Patterson's proposed revisions. She discussed concerns with the letter sent by Discovery Builders on 2/3/09.
21. James Stevenson – Mr. Stevenson discussed concerns regarding the project and air quality.
22. Albert Seeno, Discovery Builders – Mr. Seeno spoke in support of Council rescinding the denial of the project.

Vice Mayor Campbell discussed concerns regarding the interesting bifurcated EIR process, concerns regarding the applicant gaming the City, the difference between voting no and rescinding the no vote, and the incentive for coming up with a specific plan and development agreement, and his reasons for supporting rescinding the denial. Down the line, if he does not like what is happening, he could always vote no. Council has not voted yes on the project.

Council Member Hughes discussed his support for rescinding the denial. Voting to rescind the denial does not mean Council is approving the project. It means that Council has gathered a lot more information and it is more comfortable moving forward in a way, which it can determine a more collaborative way in moving forward. As Ms. Bardet put it, we should act on hope not fear. We have to move forward cautiously, but we have to move forward. A good or great project today is better than a perfect project tomorrow. You can always come up with a better project in the future. We need to move forward.

Council Member Schwartzman disclosed exparté communications. He would like to get to a 5/0 vote to rescind the denial. Council needs to decide if the letter would be included, Staff's recommendations, etc. We need to make sure the developer is going to waive any present or past statutory regulatory timelines. There are still things that we need to know are going to take place part in parcel of what we are going to do. Staff's memo today covered a lot of things. He was concerned about BUSD, legalities aside. It is something that Council needs to be cognizant of. Council Member Ioakimedes' had a good suggestion with the MOU. The issue of the project labor agreements, he is glad that if Council goes along this way, the intent is to have that. However, regarding the project labor agreements, he was wondering if this were the City's property, he could understand the City making it a demand for a condition to have PLA's. He is most concerned about the prevailing wage. He would like to see that in there.

Vice Mayor Campbell disclosed exparté communications.

Council Member Ioakimedes discussed exparté communications. He discussed what happened when Council denied the project. Rescinding the denial could give the City an opportunity to use the project to position the community to take advantage of emerging technology and changing markets. He discussed the issue of clean tech and green tech. He suggested proceeding quick and dirty tonight, with the understanding that Council would need to come back and get into the details.

Mayor Patterson discussed concerns regarding rescinding the vote tonight. Council could direct Staff to draft a resolution to rescind the vote. Voting on this tonight would not be correct.

Ms. McLaughlin stated that it was Staff's intent that Council would state its intent to rescind the vote. Staff would then draft a resolution rescinding the vote. Staff would use the memo from the City Manager and Community Development Director as the basis, along with any additions that Council wished to add in.

Mayor Patterson clarified that if there were a motion made, it would be to direct Staff to prepare a resolution to rescind the vote. The second part of the lack of clarity is the letters of agreement. It seems that the City has to acknowledge that the letters are there and there is some sort of relationship that the City has (with the developer), and what is the action that the City does for those letters. How does Seeno have an opportunity to respond, so that at the end of the day we have agreement on the letter? A lot of her comments and edits were for fixing the language in the letter of agreement because she believed it would be binding.

Ms. McLaughlin discussed the ways Mayor Patterson's concerns could be addressed. The City could draft a resolution to modify Seeno's letter, or it could do a whole new letter that incorporates the terms and refer the resolution to it. The City would need to make sure it had Discovery Builders, Inc.'s sign off on it as well.

Mayor Patterson and Ms. McLaughlin stated they were more comfortable doing a resolution.

Mayor Patterson stated that if there was a motion to give direction to Staff that it should include that the terms of the letters of agreement be included in the resolution rather than relying on the letters. Regarding the letter from City Staff, there is a need for further clarification. There would be guidance in the discussion to fix the language where Council is uncomfortable. Council has heard from Mr. Seeno that 18 months is the target, but it could take a month or two longer. It would be nice if it would take less. She disclosed exparté communications. She explained why she was unable to vote in favor of rescinding the denial of the project.

Council Member Schwartzman and Staff clarified the reason Council needed a resolution to rescind the vote. Staff's expectation is that it would use the memo from the City Manager and Community Development Director, with any modifications that Council wanted, to modify the letter from the applicant, and use that as the basis for drafting the resolution.

Council Member Hughes stated that his concern with that was that he thought a lot of the specific details would be worked out in the specific plan and the development agreement and not part of the resolution. If Council gets too detailed in the resolution, it will never get to a point of consensus and will never move forward. His recommendation is that Council directs Staff to move forward with directing Staff to draft a resolution that rescinds the denial on 11/18/08, and the resolution reflects the discussion that took place tonight and any of the changes in that discussion we would make in the letter of agreement that the City received from the applicant. All we are trying to do is rescind based on the fact that we think we have enough information to move forward in a collaborative way.

Mayor Patterson stated that there would be no more added. In fact, there would probably be some things taken out of the edited document that Council has tonight. The language about having metrics and performance measures is the level of detail she is seeking. The language of funding certainty is the level of detail. She does not want to negotiate reasonable funding of what it costs for us to do things. All the language that Council has in the copy she provided is what she would consider putting in a resolution. No more and no less. The transit issue was suggested by Steve Goetz. The reason it was in there is because it is in the letter of agreement. In order to reduce the vehicle miles it is going to take a lot more than just the TDM. She would take the TDM out so it would say 'a performance measure that reduces vehicle miles to enable us to achieve the goals of AB 32 by 2020. That is what the law is. You have to have performance measures and metrics in order to move forward. You don't need to create the details of those performance measures and metrics, but you have to have them. That is exactly what her edits do.

Council Member Hughes stated that he did not think Council was too far off. His understanding was that things like performance metrics would be included in a development agreement or specific plan. He was not sure if including it in a resolution buys us anything. His concern is that he did not want this to get hung up on wording, and all of the sudden there is disagreement on where this is heading.

## DRAFT

Mayor Patterson stated that it wasn't Council that she was concerned about. It is the general public and they wanting to trust this. They are looking for language like that. The more assurances they can see, without getting into details, the more Council has demonstrated that it hears and cares, and is respondent, the better.

Mr. Erickson stated that Staff should try and capture what Council has said tonight, and put it in the resolution. If Staff is doing a good job, it should capture the sense of the Council. To the extent it does or does not bring about all five members, Council will have that opportunity when it looks at the resolution. Staff's job is to take what Council has done tonight to put it in the form of an actionable document.

Mayor Patterson stated that Council wanted to ensure that the direction includes the essence of the comments and her edits.

Council Member Ioakimedes discussed not wanting the language in the resolution to preclude an open process. He wants the process to be as open and unencumbered as possible.

On motion of Council Member Hughes, seconded by Council Member Schwartzman, Council agreed to direct Staff to draft a resolution that rescinds the November 18, 2008 denial of the Benicia Business Park application that includes language in terms that reflects the discussion Council had tonight at the Council meeting, including the terms of the letters of agreement and staff memo (Elements needed for Benicia Business Park), and all comments, on roll call by the following vote:

Ayes: Council Members Campbell, Hughes, Ioakimedes, and Schwartzman

Noes: Mayor Patterson

### INFORMATIONAL ITEMS:

None

### COMMENTS FROM COUNCIL MEMBERS:

None

### ADJOURNMENT:

Mayor Patterson adjourned the meeting at 11:18 p.m.

**AGENDA ITEM  
CITY COUNCIL MEETING: FEBRUARY 17, 2009  
CONSENT CALENDAR**

**DATE** : January 26, 2009  
**TO** : City Manager  
**FROM** : Director of Public Works   
**SUBJECT** : **EAST 5<sup>TH</sup> STREET SMART GROWTH PROJECT:  
NOTICE OF COMPLETION AND APPROVAL OF CHANGE  
ORDERS**

**RECOMMENDATION:**

Adopt a resolution accepting the East 5<sup>th</sup> Street Smart Growth Project as complete, including approval of Change Order Nos.1 through 4, authorizing the City Manager to sign the Notice of Completion, and authorizing the City Clerk to file same with the Solano County Recorder.

**EXECUTIVE SUMMARY:**

This grant funded project constructed bicycle lanes, pedestrian alley crossings, and bulb-outs with high visibility crosswalks at 3 locations on East 5<sup>th</sup> Street. These air-friendly improvements help to calm traffic and encourage alternative modes of transportation such as walking, bicycling, and transit use. The project was completed within its approved budget. Formal acceptance of the project by the City Council is now required to allow final payment to be made to the contractor.

**STRATEGIC PLAN:**

Relevant Strategic Plan Goals and Strategies:

- Goal 4.00: Preserve and Enhance City Assets and Infrastructure
  - Strategy 4.10: Provide a balanced street system to serve automobiles, pedestrians, bicycles and transit
  - Strategy 4.40: Improve and maintain facilities and infrastructures

**BUDGET INFORMATION:**

The East 5<sup>th</sup> Street Smart Growth Project has a budget comprised of the following work items:

<b><u>Project Revenue</u></b>	
Transportation Fund for Clean Air Grant (Acct. No. 035-7235-9758).....	\$103,000.00
East 5 <sup>th</sup> Street Smart Growth Project (Acct. No. 011-8705-9758) .....	\$86,100.00
Alley Drainage Improvement Program (Acct. No. 080-8080-9708).....	<u>\$11,620.80</u>
<b>Total Project Budget .....</b>	<b>\$200,720.80</b>

**Project Expenditures**

Original Construction Contract (By Resolution No. 08-69).....	\$189,099.90
Contract Change Orders	
No. 1 Enhance No.1 Alley Conform ( <i>Staff Approved</i> ).....	\$2,370.00
No. 2 Enhance No.2 Alley Conform ( <i>Staff Approved</i> ).....	\$1,382.50
No. 3 Conform Landscaping at 5 <sup>th</sup> /Viewmont Street ( <i>Staff Approved</i> ).....	\$3,000.00
No. 4 Adjustment to Final Contract Quantities ( <i>Staff Approved</i> ).....	\$4,868.40
Change Order Sub-total .....	\$11,620.90

**Total Project Expenditures .....**\$200,720.80  
**Remaining Project Balance.....**\$0

Four staff-approved change orders were issued on this project, which was communicated to the City Manager in a memorandum dated January 27, 2009. The contract change orders amount to a 6% cost increase from the original construction contract amount, which is typical for projects of this nature.

**BACKGROUND:**

On July 1, 2008, the City Council awarded a construction contract to Ameca General Engineering for the East 5<sup>th</sup> Street Smart Growth Project in the amount of \$189,099.90.

The East 5<sup>th</sup> Street Smart Growth Project striped 5 foot wide bicycle lanes between East “H” Street and the eastbound I-780 on-ramps and off-ramps, while allowing for continued parking on both sides of the street and creating a reduced width (10 feet wide) automobile traveled lanes. Bulb-outs with high visibility crosswalks were constructed at the intersections of East “J” Street in front of St. Dominic’s Priory School, East “L” Street near the future community center, and Viewmont Street on the safe school route for Robert Semple Elementary School. Pedestrian alley crossings, consisting of concrete driveway approaches, were installed at five locations south of Military East. In addition to enhancing pedestrian safety, this feature also reduces the tracking of alley gravel onto the street thereby improving the stormwater quality in this area.

With the completion of the East 5<sup>th</sup> Street Smart Growth Project, the new bike lanes, reduced traveled lane widths, bulb-outs with high visibility crosswalks, and pedestrian alley crossings act in concert to calm traffic, increase pedestrian safety at critical intersections, and encourage walking, biking, and transit use.

The East 5<sup>th</sup> Street Smart Growth Project has been completed to the satisfaction of the City Engineer and it is recommended that Council accept this project as complete for a total cost of \$200,720.80, including Change Order Nos. 1-4.

**Attachments:**

- Proposed Resolution
- Notice of Completion
- Project Photograph

# Proposed Resolution

**RESOLUTION NO. 09-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA ACCEPTING THE EAST 5<sup>TH</sup> STREET SMART GROWTH PROJECT AS COMPLETE, INCLUDING APPROVAL OF CHANGE ORDER NOS. 1 THROUGH 4, AUTHORIZING THE CITY MANAGER TO SIGN THE NOTICE OF COMPLETION, AND AUTHORIZING THE CITY CLERK TO FILE SAME WITH THE SOLANO COUNTY RECORDER**

**WHEREAS**, by Resolution No. 08-69, City Council awarded the East 5<sup>th</sup> Street Smart Growth Project to Ameca General Engineering; and

**WHEREAS**, during the course of construction Contract Change Orders 1 through 4 in the combined amount of \$11,620.90 were necessary to address unforeseen additional work and properly construct the project; and

**WHEREAS**, Ameca General Engineering has completed the work in accordance with the plans and specifications and to the satisfaction of the City Engineer for a final construction cost of \$200,720.80, including Change Order Nos.1 through 4, listed in Exhibit A.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Benicia hereby accepts the East 5<sup>th</sup> Street Smart Growth Project as complete for a final construction cost of \$200,720.80.

**BE IT FURTHER RESOLVED** that the City Manager is hereby authorized to sign the Notice of Completion and the City Clerk is authorized to file said Notice with the Solano County Recorder.

\* \* \* \* \*

On motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, the above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 17<sup>th</sup> day of February, 2009, and adopted by the following vote:

Ayes:

Noes:

Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

Attest:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

**EXHIBIT A**

**SUMMARY OF CONTRACT CHANGE ORDERS (CCO'S)**

<b>REFERENCE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
<b>CONTRACT CHANGE ORDERS</b>		
CCO #1	Enhance No. 1 Alley Conform	\$2,370.00
CCO #2	Enhance No. 2 Alley Conform	\$1,382.50
CCO #3	Conform Landscaping at 5 <sup>th</sup> /Viewmont Street	\$3,000.00
CCO #4	Adjustment to Final Contract Quantities	\$4,868.40
<b>TOTAL CONTRACT CHANGE ORDERS</b>		<b>\$11,620.90</b>



Recorded at the request of:

CITY OF BENICIA

After recording return to:

CITY OF BENICIA  
ATTN: CITY ENGINEER  
250 EAST L STREET  
BENICIA, CA 94510

**NOTICE OF COMPLETION**

NOTICE IS HEREBY GIVEN THAT:

1. The City of Benicia, 250 East L Street, Benicia, CA, 94510, is the owner of the property described as:  
  
**East 5<sup>th</sup> Street** located in the City of Benicia, County of Solano, State of California.  
  
**Nature of title as stated owner: In Fee.**
2. A work of improvement known as the **East 5<sup>th</sup> Street Smart Growth Project** at the property described was completed and accepted by the City Council of the City of Benicia on February 17, 2009.
3. The name of the contractor for the improvement is **Ameca General Engineering of Fairfield, California.**

CITY OF BENICIA

Dated: \_\_\_\_\_

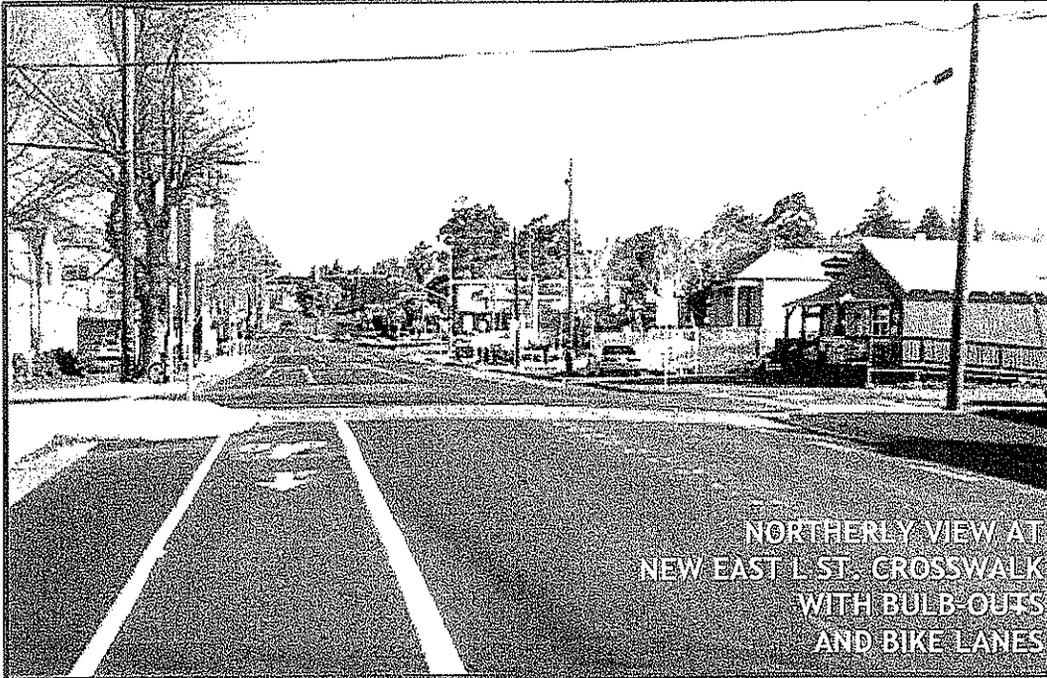
By: \_\_\_\_\_  
James R. Erickson, City Manager

Attest: \_\_\_\_\_  
Lisa Wolfe, City Clerk

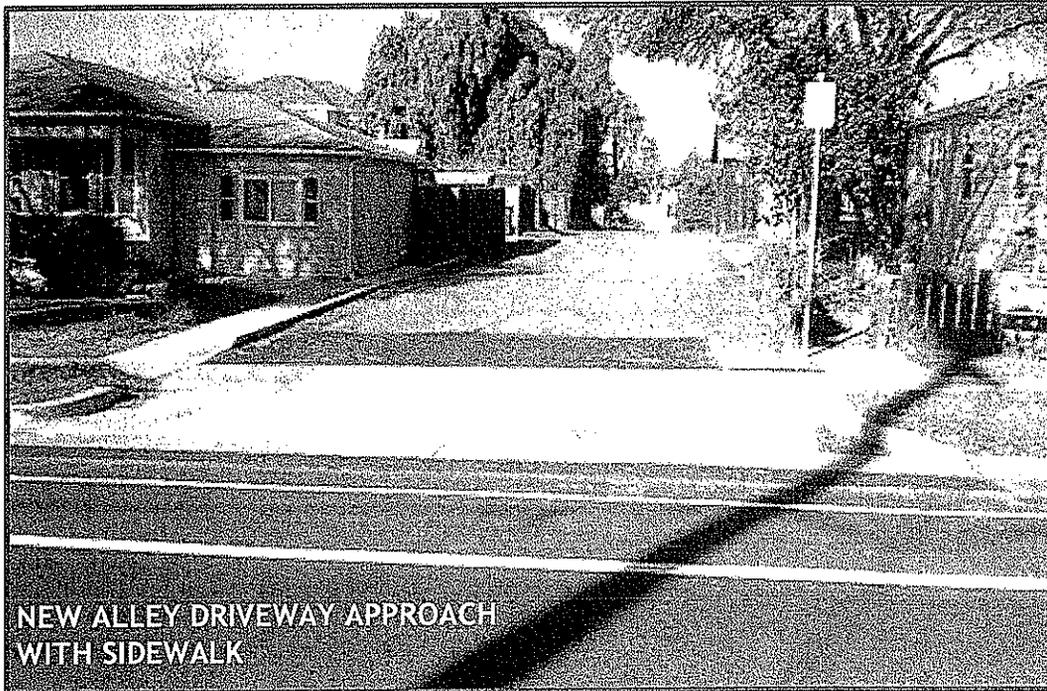
The undersigned, being duly sworn, says: that she is the person signing the above document; that she has read the same and knows the contents thereof, and that the facts stated therein are true, under penalty of perjury.

\_\_\_\_\_  
Lisa Wolfe, City Clerk

# Project Photographs



NORTHERLY VIEW AT  
NEW EAST L ST. CROSSWALK  
WITH BULB-OUTS  
AND BIKE LANES



NEW ALLEY DRIVEWAY APPROACH  
WITH SIDEWALK

File: E5 St Smart Growth Project Photos - Updated Feb 5, 2009

REVISIONS			
NO.	DESCRIPTION	BY	DATE
0	Issued w/ Council Rpt	MWT	2-5-09



THE CITY OF  
**BENICIA**  
CALIFORNIA

## CITY OF BENICIA

PUBLIC WORKS  
DEPARTMENT

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### LOCATION PHOTOGRAPHS EAST 5<sup>TH</sup> STREET

PROJECT  
EAST 5TH STREET SMART  
GROWTH

DATE  
FEBRUARY 2, 2009

SHEET  
**VII-B-9**  
PHOTOS 1

**AGENDA ITEM  
CITY COUNCIL MEETING: FEBRUARY 17, 2009  
CONSENT CALENDAR**

**DATE** : February 2, 2009  
**TO** : City Manager  
**FROM** : Director of Public Works  
**SUBJECT** : **VACATION OF A UTILITY EASEMENT  
AT 622-626 FIRST STREET**

**RECOMMENDATION:**

Adopt a resolution vacating the utility easement at 622-626 First Street and authorizing the City Clerk to execute the City Council Certificate on the final parcel map on behalf of the City.

**EXECUTIVE SUMMARY:**

The utility easement at 622-626 First Street is proposed to be vacated on the final parcel map for the three-lot subdivision at 622-636 First Street. The easement is not needed for current or future utilities and approving the vacation is a necessary step for the final parcel map to be approved.

**STRATEGIC PLAN:**

Relevant Strategic Plan Goals and Strategies:

- Goal 2.00: Strengthen the Economy
  - Strategy 2.20: Small Business Assistance

Vacating an unnecessary utility easement would allow the property owner additional flexibility should they choose in the future to make site modifications.

**BUDGET INFORMATION:**

The proposed action has no impact to the City's budget.

**SUMMARY:**

Mr. Marcus Hartinger, a small business owner, is in the process of subdividing 622-636 First Street into three lots with a common private access onto East "G" Street. The site is currently

built out and no new habitable structures can be constructed. Subdividing the parcel will allow each lot to be sold individually.

The tentative parcel map for this project was approved by the Zoning Administrator on June 11, 2008. Following that action, a detailed property title search revealed there was a 15-foot wide utility easement across the southern end of the parcel. This easement is not needed for current or future utilities and is currently occupied by two buildings that are over 100 years old. Vacating this utility easement is required for the final parcel map to comply with local ordinances and conform to the tentative parcel map, which is necessary for map approval.

Vacating an easement requires the approval of City Council and can be effected by authorizing the City Clerk to execute the City Council Certificate on the final parcel map.

cc: City Attorney  
City Engineer

Attachments:

- Proposed Resolution
- Location Map
- Parcel Map

# Proposed Resolution

**RESOLUTION NO. 09-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA  
VACATING A UTILITY EASEMENT AT 622-626 FIRST STREET AND  
AUTHORIZING THE CITY CLERK TO EXECUTE THE CITY COUNCIL  
CERTIFICATE ON THE FINAL PARCEL MAP ON BEHALF OF THE CITY**

**WHEREAS**, on June 11, 2008, the City of Benicia Zoning Administrator approved the 3 lot tentative parcel map located at 622-636 First Street; and

**WHEREAS**, following that action a 15-foot wide utility easement along the southerly boundary of the parcel was discovered during the detailed property title search; and

**WHEREAS**, said utility easement is not needed for current or future utilities and is occupied by two buildings, street addresses 622 and 626 First Street, that are over 100 years old; and

**WHEREAS**, said utility easement must be vacated for the final parcel map to comply with local ordinances and conform to the tentative parcel map, which is a necessary step for map approval; and

**WHEREAS**, vacating an easement requires approval by the Benicia City Council; and

**WHEREAS**, the Benicia City Clerk can execute the City Council Certificate vacating the utility easement on the final parcel map on behalf of the City.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Benicia hereby vacates the utility easement at 622-626 First Street and authorizes the City Clerk to execute the City Council Certificate on the final parcel map on behalf of the City.

\*\*\*\*\*

On motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, the above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 17th day of February, 2009, and adopted by the following vote:

Ayes:

Noes:

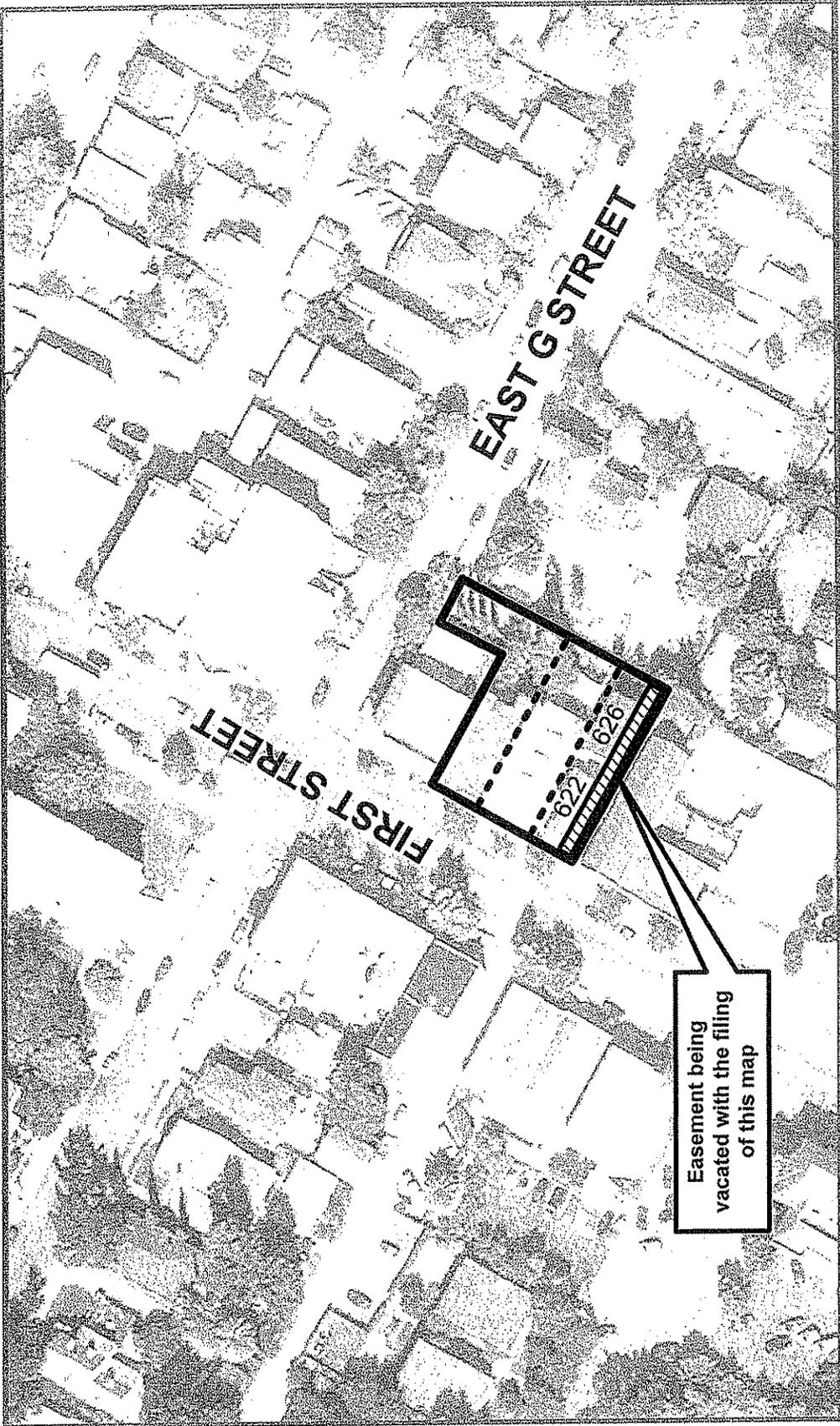
Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

## Location Map

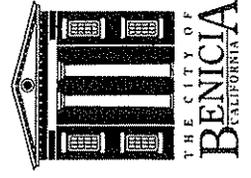


PUBLIC WORKS  
DEPARTMENT

**CITY OF BENICIA**

**622 - 636 FIRST STREET PARCEL MAP LOCATION**

PROJECT: \_\_\_\_\_ DATE: *January 2009* SHEET: \_\_\_\_\_



REVISIONS		
NO.	DESCRIPTION	DATE

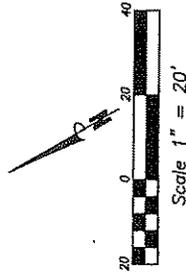
**M/C-7**

# Parcel Map

# PARCEL MAP

#08PLN-02

A 3 LOT SUBDIVISION OF A PORTION OF LOT 8, BLOCK 19 AND A PORTION OF THE ALLEY BETWEEN LOTS 4 AND 8, BLOCK 19 OF THE OFFICIAL MAP OF THE CITY OF BENICIA, BOOK 1, PAGE 124, SOLANO COUNTY RECORDS CITY OF BENICIA SOLANO COUNTY CALIFORNIA DECEMBER 2008



NUMBER	DIRECTION	DISTANCE
L1	N 59°59'41" W	20.01 FT
L2	N 30°00'19" E	6.78 FT
L3	N 30°00'19" E	6.60 FT
L4	N 30°00'19" E	2.75 FT
L5	N 30°00'19" E	2.73 FT
L6	N 30°00'19" E	26.61 FT
L7	N 30°00'19" E	26.04 FT
L8	N 59°59'41" W	13.40 FT
L9	N 59°59'41" W	24.43 FT
L10	N 30°00'19" E	6.03 FT
L11	N 59°59'41" W	40.72 FT

**Cullen-Sherry & Associates, Inc.**  
 Civil Engineering - Surveying  
 1080 Adams Street, Suite A - P.O. Box 681  
 Benicia, California 94510  
 (707) 746-8219 Fax (707) 746-9436  
 csa-engineers.com

SHEET 3 OF 3 SHEETS

**EAST 'G' STREET**  
 (60 FT RIGHT OF WAY, R1)

FOUNDING WALL PER R3

N59°59'41" W 680.40' (TOTAL TO EAST 2nd ST.) (CL-CL) (680.00' R1)

140.07 FT

30.00 FT (R1)

40' (R1)

N59°59'41" W 100.07 FT

50.05 FT

28.04 FT

28.34 FT

N59°59'41" W 120.08 FT (TOTAL)

48.50 FT

41.93 FT

N59°59'41" W 41.93'

27.85'

36.43' (TOTAL) PARCEL A

4,309.38 S.F.

N59°59'41" W 61.86'

24.90'

33.70' (TOTAL) PARCEL A

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**AGENDA ITEM  
CITY COUNCIL MEETING: FEBRUARY 17, 2009  
CONSENT CALENDAR**

**DATE** : February 2, 2009  
**TO** : City Manager  
**FROM** : Director of Parks & Community Service  
**SUBJECT** : **ADOPTION OF A RESOLUTION APPROVING THE FILING OF  
TWO APPLICATIONS FOR URBAN FORESTRY GRANT FUNDS**

**RECOMMENDATION:**

Adopt the proposed resolution approving the filing of two application for "Proposition 40 and 84" urban forestry grant program funds.

**EXECUTIVE SUMMARY:**

In the Fall of 2008 staff applied for three Cal Fire State grants for our burgeoning urban forestry program. Two of the City's applications were ranked high enough to continue through the grant process. The City remains eligible to win an award of \$25,000 for a tree education program and \$75,000 for a tree inventory.

A resolution from the City Council approving the filing of these applications is a requirement of the next phase of the grant process. The submittal deadline for these second-round applications is February 23, 2009.

**STRATEGIC PLAN:**

Relevant Strategic Plan Goals and Strategies:

- Goal 1.00: Protect Community and Environmental Health and Safety
  - Strategy 1.10: Maintain air quality
- Goal 5.00: Enhance Community Appearance
  - Strategy 5.20: Enhance City gateways

**BUDGET INFORMATION:**

As noted above, the total value of the grants for which the City remains in contention stands at \$100,000. These grants are matching fund grants, meaning the City needs to commit \$100,000 to these grant projects. Presently, there are no City funds dedicated for these efforts; however, the

match requirement can be met from the \$700,000 tree program portion of the VIP Settlement Agreement.

**BACKGROUND:**

Staff, the Tree Committee and community members have convened a Tree Program Steering Group. That Group has met multiple times and currently is in the process of developing a comprehensive tree program. This program has a variety of major goals, including a tree inventory and public tree education component. The intention of the Steering Group is to generate a report detailing the plan and program for the City Council, Valero and the Good Neighbor Steering Committee to review and approve. Following approval from the respective bodies, the \$700,000 tree program portion of the VIP Agreement would be eligible to match the Cal Fire Grants.

Procedurally, this grant application is ahead of the Tree Program Steering Group's final recommendation, which will be ready in late April. Nevertheless, we may prospectively move forward with the grant application in anticipation that the Tree Program Steering Group and respective approving bodies will endorse the commission of a tree inventory and tree education program.

However, this action by the City Council to approve the filing of the grant applications, while influential, is not dispositive to the appropriation of the VIP funds. If the powers that be determine a tree inventory and education program are not worthwhile or are reluctant to fund to the level of the grant requirement, the City may decline the grant award.

This action tonight preserves the opportunity for the City to add to our tree program coffers; to that end, staff recommends adopting the proposed resolution.

Attachment:

- Proposed Resolution

## Proposed Resolution

**RESOLUTION NO. 09-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA FOR FUNDING FROM THE URBAN FORESTRY GRANT PROGRAM ENTITLED, "AN URBAN FOREST FOR EVERY CITY," AS PROVIDED THROUGH PROPOSITIONS 40 AND 84**

**WHEREAS**, the Governor of the State of California in cooperation with the California State Legislature has enacted Propositions 40 and 84, which provide funds to the State of California and its political subdivisions for urban forestry programs; and

**WHEREAS**, the State Department of Forestry and Fire Protection has been delegated the responsibility for the administration of the program within the State, setting up necessary procedures governing application by local agencies and non-profit organizations under the program; and

**WHEREAS**, said procedures established by the State Department of Forestry and Fire Protection require the applicant to certify by resolution the approval of applications before submission of said applications to the State; and

**WHEREAS**, the applicant will enter into agreements with the State of California to carry out urban forestry projects.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Benicia hereby approve the filing of two applications for "PROPOSITION 40 and 84" urban forestry grant program funds.

**BE IT FURTHER RESOLVED** that the City Council of the City of Benicia hereby certifies that said applicant has or will have sufficient funds to operate and maintain the project.

**BE IT FURTHER RESOLVED** that the City Council of the City certifies that funds under the jurisdiction of City of Benicia are available to begin the project; and

**BE IT FURTHER RESOLVED** that the City Council of the City of Benicia certifies that said applicant will expend grant funds prior to March 31, 2011.

**BE IT FURTHER RESOLVED** that the City Council of the City of Benicia appoints the Director of Parks and Community Services as agent of the City Council of the City of Benicia to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, amendments, payment requests and so on, which may be necessary for the completion of the aforementioned project.

\*\*\*\*\*

On motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, the above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 17<sup>th</sup> day of February, 2009 and adopted by the following vote:

Ayes:

Noes:

Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

**AGENDA ITEM  
CITY COUNCIL MEETING: FEBRUARY 17, 2009  
ACTION ITEMS**

**DATE** : February 10, 2009

**TO** : City Manager

**FROM** : Finance Director

**SUBJECT** : **PRESENTATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2008 AND RECOGNITION OF CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FOR THE JUNE 30, 2007 REPORT**

**RECOMMENDATION:**

Accept the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ending June 30, 2008 and authorize staff to distribute the document to recipient agencies.

**EXECUTIVE SUMMARY:**

The City of Benicia receives an annual independent audit of its financial records and, upon completion, produces a CAFR. This year's audit was conducted under the direction of Vikki Rodriguez, Shareholder at Maze and Associates, and presented to the Finance, Audit and Budget Committee (FAB) for consideration on February 6, 2009. The FAB Committee has reviewed the CAFR and recommends approval. The previous year's CAFR received the Award of Excellence from the Government Finance Officer's Association of the United States and Canada. A comparison of the audited results with the amended budget is also presented in the staff report.

**STRATEGIC PLAN:**

Relevant Strategic Plan Goals and Strategies:

- Goal 8.00: Build Organizational Quality and Capacity
  - Strategy 8.20: Measure and track service (i.e. financial) performance

**BUDGET INFORMATION:**

There is no fiscal impact at this time. However, the CAFR is utilized by rating agencies and lending institutions in determining the credit worthiness of the City and can influence lending rates and debt service capacity when the City borrows money.

## **BACKGROUND:**

Once again, the City has received the highest marks available from an independent auditor, often referred to as a “clean audit.” In the auditor’s opinion ...

*...The basic financial statements referred to above present fairly in all material respects the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Benicia as of June 30, 2008 and the changes in financial position and cash flows where applicable, thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended, in conformity with generally accepted accounting principles in the United States of America.*

Excerpts from the CAFR are attached to this report for your reference. The Management Discussion and Analysis Report provides a thorough discussion of the changes experienced and reported during the fiscal period. Special thanks go out to Abigail Urrutia, Assistant Finance Director, and Alyson Kauzer, Accounting Systems Supervisor, for their special efforts in organizing this year’s award-winning report.

Upon approval, the CAFR will be submitted to the Government Finance Officers Association of the United States and Canada for evaluation of reporting criteria and award potential. The previous year’s submission received the *Certificate of Achievement for Excellence in Financial Reporting* and continues the City’s success in receiving the award for the past 20 years.

### **General Fund Budget-to-Actual Comparison**

The attached *Exhibit I* summarizes the audited results in the General Fund for FY 2007-08. The year ended with budgeted operational revenues exceeding expectations by \$239,795 and operational expenditures over budget by \$52,580. The major revenue improvements were from Fire reimbursements from responding to Southern California Fires and receipts from Community Services recreational programs. These are explained more fully in the notes attached to *Exhibit I*.

The majority of the negative expenditure results were from salary and benefit savings budgeted in Non-Departmental in the amount of \$375,000 while actual savings were realized in individual departments, totaling \$237,985. Actual salary savings fell short by about \$137,000. Savings were realized in materials, supplies and services, which offset some of the deficit incurred for the year.

The audited results yielded an ending Undesignated Fund Balance of \$7.243 million, representing 22.9% of operational expenditures for the year. This was approximately 2.6% higher than expected and allowed the General Fund to post a surplus above the 20% reserve requirement of \$.9 million for FY 2007-08.

*Exhibit II* was requested from a prior year by the Finance, Audit and Budget Committee to show the link between the CAFR and the City’s Budget Document. The revenues and expenditures are reconciled, as well as the Ending Fund Balances, with minor rounding differences.

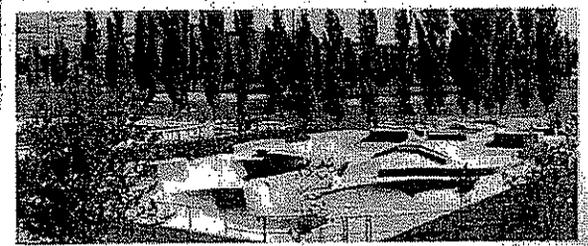
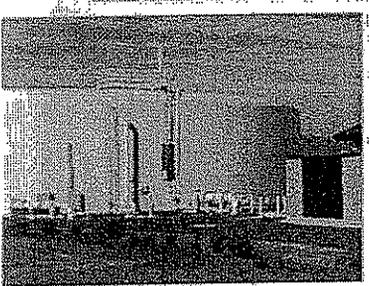
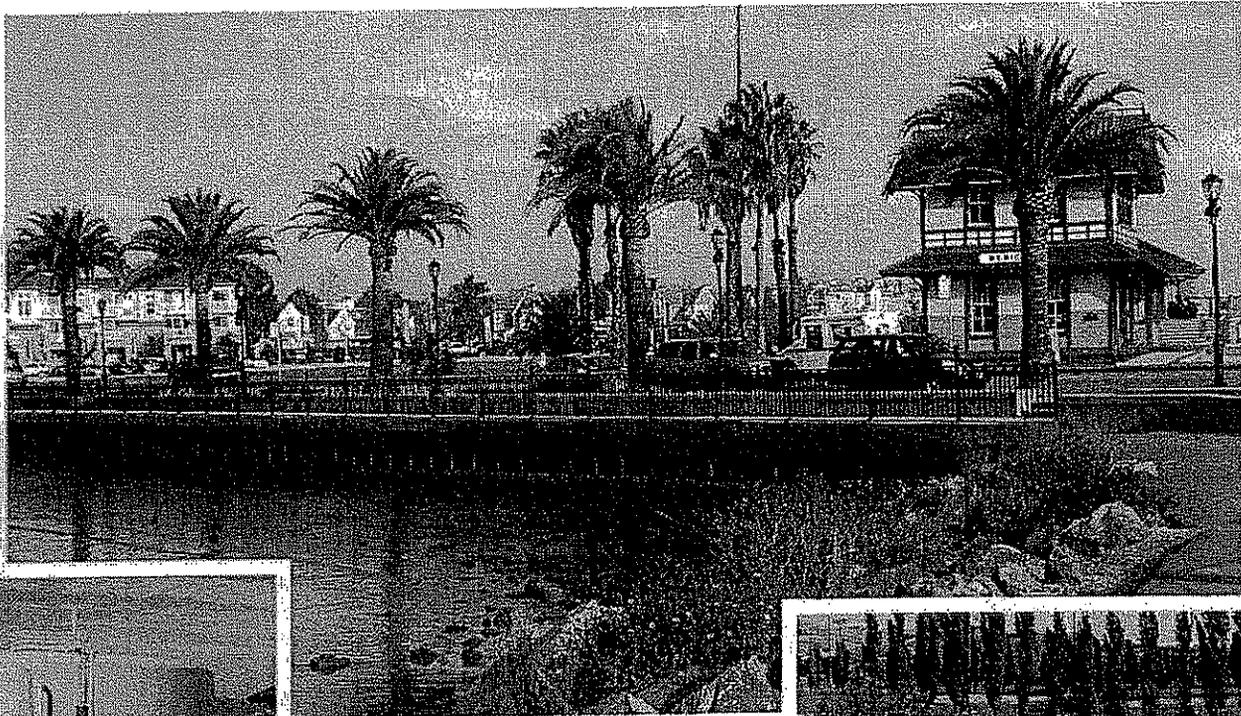
A complete copy of the CAFR is available at the City Clerk's Office, the Finance Department, and online at the City of Benicia website: <http://www.ci.benicia.ca.us/finance>

Attachments:

- Excerpts from FY 2007-08 Comprehensive Annual Financial Report
- General Fund Budget to Actual Comparison

**Excerpts from FY 2007-08  
Comprehensive Annual Financial Report**

# THE CITY OF **BENICIA** CALIFORNIA



**Comprehensive Annual  
Financial Report  
for the  
Fiscal Year Ended  
June 30, 2008**

**IX-A-5**

**CITY OF BENICIA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**Prepared by**  
**FINANCE DEPARTMENT**



December 8, 2008

**To the Honorable Mayor, Members of the City Council,  
and Citizens of the City of Benicia, California:**

I am pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the City of Benicia (the City) for the fiscal year ended June 30, 2008. This CAFR has been prepared by the Finance Department in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data and fairness of the presentation, including all disclosures, rests with the City. To the best of my knowledge, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the City, as measured by the financial activity of its governmental activities, business-type activities, each major fund, and the aggregate remaining fund information. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's basic financial statements have been audited by Maze & Associates CPA, a public accounting firm fully licensed and qualified to perform audits of State and local governments within the State of California. The goal of the independent audit is to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2008, are free of material misstatement. The independent auditor's report is presented at the front of the financial section of this report.

Management's Discussion & Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is designed to complement this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE GOVERNMENT**

Benicia, California is located in southern Solano County adjacent to the Carquinez Strait, which is part of the San Francisco Bay. It is a waterfront city, known for its small town charm, history and high quality of life. Benicia has moderate Mediterranean weather with dry warm summers and moderate winters. It currently occupies 14 square miles and serves a population of 27,978.

The City was incorporated in April 24, 1851, under the laws of the State of California. The City is a general law city administered by a council-manager form of government and provides a wide range of

municipal services to its citizens including public safety (fire and police), library, parks and recreation, public works, planning and zoning, water and wastewater utilities, economic development, transit, and general administrative services.

The financial reporting entity includes all funds and activities of the City of Benicia. Other governmental agencies that provide services within the City include Solano County, the Benicia Unified School District and the Benicia Housing Authority. Financial information for these agencies is not included in the accompanying financial statements because each is a legally separate entity with operations separate from the City, and the City has no financial interest in their activities.

### **Management Summary**

Benicia benefits from the stability of its leadership and experience. Elizabeth Patterson was elected mayor in November 2007 and has been a Council Member since 2003. Jim Erickson, former City Manager for the City of Millbrae for more than 20 years, was chosen to become the new City Manager after an extensive recruitment process in February 2003. Mr. Erickson leads the executive management team, which includes nine Directors that bring substantial technical expertise and managerial experience to the City of Benicia. With this level of expertise, the City continues its reputation of progressive and business-like management. The City Council and the Executive Management Team stress long-term planning and the ability to turn fiscal challenges into opportunities.

In 2004, the city refined its ten-year General Fund budget forecasting model. This model has become a guide and educational tool for the City's management staff, Council Members and citizens. The model is updated annually to reflect the ever-changing economic environment we live in. The City's Finance, Audit and Budget Committee also takes a very active role in monitoring the ten-year model and has recommended several enhancements to ensure the viability of the model in forecasting future operational outcomes that will support a high level of service required by a growing community.

In addition to the model, the City has also developed a strategic plan that will direct the City's vision for success, which is updated every budget cycle. This plan identifies strategies and priorities that will best address issues raised by the City's stakeholders, and will serve as a framework for the City to provide the community with integrity, excellence, service and inclusiveness of all.

By combining the business-like attitude with the ten-year model, taking into account the strategic issues that have been identified, the City now enjoys a \$621,895 undesignated General Fund reserve, together with \$1,592,669 for Economic Uncertainty, \$1,592,669 for Exposures Reserve and \$3,185,339 for Emergency Reserve.

### **ECONOMIC OUTLOOK AND CONDITION**

Benicia's strategic setting on the Carquinez Strait has made it an attractive location as both a place to live and a place for industrial growth. While largely built out, families continue to be attracted to the City of Benicia's quiet tree-lined neighborhoods, good schools, low crime rate and small-town, historic charm.

The table below illustrates the City's General Fund property, sales and utility tax collections for fiscal years 2003 through 2008:

General Fund Tax Collections 2002-03 Through 2007-08			
Year	Property	Sales	Utility
2002-03	10,133,259	3,802,518	2,739,530
2003-04	10,502,276	4,237,439	2,747,951
2004-05	10,774,630	4,567,137	2,826,370
2005-06	11,919,854	5,373,118	3,001,316
2006-07	12,881,657	6,285,439	5,056,904
2007-08	13,534,307	6,794,114	4,190,517

As the table indicates, property taxes increased \$652,650 (5.07%) in fiscal year 2007-08. The increase is a result of the continued rebuilding and expansion of the Valero Refinery and new construction in the Benicia Industrial Park. There is a housing market slowdown and market devaluation anticipated for the coming year, as experienced throughout the county, state and nation. Sales tax increased \$508,675 (8.09%) in fiscal year 2007-08. This increase reflects strong performance by many of Benicia's industrial and retail businesses. The long-term economic outlook for the City continues to be strong given the diversity of the City's economic base and the low vacancy rate in the City's Industrial Park. Utility user tax collections decreased \$866,387 (17.13%) due to the prior year's one-time revenue generated from the utility users tax agreement with Valero.

The City's Industrial Park is a model for other California cities on how to transform an abandoned military base into a viable industrial park and local economic catalyst. The Benicia Industrial Park provides a strong sales tax base for the City, generating over 60% of the City's sales tax revenue. Because of Benicia's excellent deep-water harbor facilities along the Carquinez Strait, Valero's Northern California Petroleum Refinery is a major activity in the Park. Amports owns the port facility and maintains a large distribution facility in Benicia, which processes over 150,000 passenger cars and light trucks annually. Other industrial sectors represented in the park include steel and metal fabrication, construction, wine warehousing and distribution and nutraceutical product research, development and manufacturing.

Over the last decade, the total square footage of the Benicia Industrial Park has expanded to about 7,000,000 square feet, over 400 companies, and approximately 7,500 jobs. The types of companies locating in the Industrial Park continue to diversify Benicia's economic base and reflect Benicia's prominence as an industrial center located midway between the Bay Area and Sacramento markets. Access to major Northern California freeways and railways contribute to the success and viability of the Benicia Industrial Park.

Discovery Builders, a major Northern California developer, owns approximately 500 acres adjacent to the Benicia Industrial Park. When approved and developed, the new Benicia Business Park will significantly increase property, sales and utility tax revenue for the City. Consistent with the City's General Plan, the new business park will contain over 2 million square feet of light industrial uses and over 800,000 square feet of commercial space. The planning process is underway and is expected to be completed in 2009.

The following is a list of the top 15 employers in the Industrial Park:

Employer	Employees	Type of Business
Valero Refining Co	531	Petroleum Refining
Dunlop Manufacturing Inc.	209	Manufacture/Distribute Musical Accessories
Bio-Rad Laboratories Inc.	197	Manufacture Hematology Products
Cytosport	187	Dietary Sport & Nutrition Products
Coca-Cola Bottling Co.	145	Soft Drink Delivery
APS West Coast, Inc.	131	Operate Port of Benicia
Radiator Express Warehouse Inc.	130	Distribute Radiators
Philip Services Corp	128	Local Trucking Service
Cycle Gear Inc.	121	Warehouse with Some Mail Order Sales
The Pepsi Bottling Group	119	Soft Drink Manufacturing
American Civil Constructors West Coast Inc.	109	General Engineering Contractor
Henry Wine Group	104	Import/Distribute Wine Spirits
Benicia Fabrication & Machine	104	Metal Products Manufacturing
Veolia Industrial Services	102	Industrial Services
PSC Industrial Outsourcing Inc.	95	Industrial Waste Cleaning/Disposal

#### **FINANCIAL GOALS AND STRATEGIES**

The City's financial goals and strategies center on development of large and stable revenue sources to provide high level services to a growing community in an efficient cost-effective manner. These goals and strategies are:

1. Maintain balanced budgets that incorporate basic services and infrastructure expansion to meet community growth envisioned by the City Council and the City's General Plan.
2. Promote development of job and sales tax creating businesses to reduce the standing of the City as a bedroom community by balancing housing with jobs.
3. Promote a balance of affordable housing opportunities.
4. Promote the preservation of open space, the development of cultural amenities, the encouragement of Historical Preservation and Historical Tourism, and adequate transportation.
5. Ensure growth pays its own way.
6. Promote intergovernmental cooperation to reduce costs and better serve City residents.
7. Increase citizen involvement and City service responsiveness to residents.

There is also a strong focus on sound management of the City's financial resources to allow for the stable delivery of public services and to preserve the City's reputation in financial markets.

## **Balanced Budget**

While the City has recovered from the \$1 million annual property tax revenue reduction imposed by the State in fiscal 1994, costly litigations concerning storm drain improvements, and the 2007 reduction in property valuation for Valero, one of the City's major property taxpayers, it continues to face the challenge of a depressed economy with tight credit markets and increased employee benefit costs. Additionally, due to the past and current State of California's budget crises and the current national financial crisis, the City cautiously anticipates the potential loss of additional revenue—whether it is in the form of reduced motor vehicle fees, sales tax, property tax, or on-going grant and allocation programs. In so doing, the City's General Fund reserve has remained in a secure position to weather the fiscal challenges that are anticipated in the next five years.

## **Benicia Market Analysis**

The Benicia industrial market is diverse, strong and reflects the petro-chemical, steel fabrication and machining, construction, environmental engineering and warehouse/distribution sectors. For the last decade, the Benicia Industrial Park has been an attractive alternative to the Contra Costa market due to more affordable rents, access to affordable housing and a skilled and semi-skilled labor pool. The Benicia Industrial Park currently includes approximately 7 million square feet of built space. To the west of the Industrial Park, approximately 500 acres owned by Discovery Builders will be available for future industrial development. While other communities are experiencing significant reductions in sales tax revenue, the Benicia Industrial Park remains a stable economic engine for the City. The diversity of Benicia's economic base will continue to enable the City to tolerate fluctuations in the state and national economy. In summary, 2008 was a strong year, as unemployment remained low in Benicia relative to County and State averages.

## **Long-term Financial Planning**

The City updates a Capital Improvement Program (CIP) on a biennial basis based upon "Council Priority List" of future capital and infrastructure needs. The CIP projects for fiscal year 2007-08 totaled \$12.8 million. Funding comes from multiple sources, including existing funds, development taxes, and regional, state and federal funds over the next five-year period.

## **Housing Opportunities**

The City of Benicia began an update of its Housing Element Report in June 2008. The plan is revised on a cyclical basis; the current update is due to the State by July 2009. Although the State directs plan production and contents, cities decide where and how new housing may occur. As part of the process, the State and the Association of Bay Area Governments (ABAG) allocate to each local community a share of the regional housing need through 2014. The City's share is 532 units, 246 of which must be affordable to persons making less than 80% of the countywide median annual income of roughly \$62,000. The City expects to continue its affordable housing strategy to facilitate construction of new units for lower-income households. In addition to sites for affordable housing, areas for market-rate homes will be identified as part of the Housing Element update process. The City has previously met its Regional Housing Needs Allocation for all income levels of the community and anticipates once again being able to accommodate the targets set by the State.

## **Parks, Open Space, Library, Historical Preservation and Tourism, and Transportation**

The City is extremely proud of its award winning, 50-acre community park and 570-acre open space area in the northern part of the City. The City is continuing with the renovation and tenant improvements to Mills Elementary School, which will be utilized as a community center. It is currently in the design phase. The replacement of the Ninth Street Park playground equipment was completed in October 2008. The City also completed the renovation of the Benicia High School lower athletic fields. This consisted of new irrigation and turf on the varsity and junior varsity baseball fields.

The Commandant's Residence rehabilitation project is moving ahead of schedule, with a completion date of March 2009. To date, the roof has been removed and replaced, seismic upgrades completed, construction of elevator walls and frame as well as the fire sprinkler system have also been completed.

The City's \$6 million public library facility, opened in 1993, provides patrons with the utmost in modern technology available, including electronic access to the collection of other county and community college libraries. Users are able to borrow audiotapes of books, videotapes of movie classics and music compact discs in addition to having access to 111,145-volume collection of books. The library offers a number of special programs for children, teens and seniors. To further expand library services, the remodeling of the library basement is in progress with the design phase completed. The project is on hold until additional funding can be found, as construction costs are significantly higher than previous cost estimates.

The City of Benicia has a rich historical background as one of the nation's foremost military compounds, multi-faceted seaports and site of the California State Capital in 1854. There are many wonderful buildings from these bygone eras that are full of cherished artifacts and architectural splendor. The City of Benicia has recognized the importance of maintaining these significant historical assets and has empowered both citizen committees and staff to protect these valuable treasures for residents, visitors and future generations.

The City's transit system "Benicia Breeze" has evolved into a more efficient transit operation providing improved local flex route service within the City on three routes, regional service between Vallejo and Central Contra Costa County on two routes, supplemental service to Benicia schools on two routes, a local taxi scrip program for seniors and persons with disabilities and a paratransit service for persons who are unable to use fixed route transit due to their disability. Benicia Breeze uses a fleet of seven transit buses and seven cutaway buses, all of which are accessible to bicycles and mobility devices. Benicia Breeze averages about 569 passengers per weekday and carries approximately 13,226 passengers per month. The City plans to begin consolidating transit services with the City of Vallejo in the months ahead and expects major reorganizations to occur in the future.

### **Growth Pays Its Own Way**

Benicia's fees and taxes on new development are designed to ensure that growth pays its own way, while simultaneously ensuring that the City is not priced out of the development market. The total amount of fees paid for a "typical" new 2,758 square-foot single-family residence is approximately \$35,000. The fees vary based on square footage and pay for needed public facilities, such as streets, water and wastewater facilities, parks, library books and public safety needs.

## **Intergovernmental Cooperation**

The City of Benicia works closely with the Benicia Unified School District (BUSD) in numerous ways, including:

- Providing two school resource officers at no cost to the school district
- Funding the school district's crossing guard program
- Funding for various counseling services for at-risk students and student reading programs
- High school baseball use of Fitzgerald Field
- Library assistance to schools ordinarily provided by credentialed school librarians
- Safety improvements, including the installation of a flashing crosswalk for Benicia High School and planning for a future traffic signal
- Maintenance of playing fields and turf areas at three school sites

Benicia and its neighboring city, Vallejo, continue to work together to protect open space adjacent to the Benicia Community Park, which borders both cities. Benicia and Vallejo also cooperate in other matters of mutual interest. For example, the two cities, along with Fairfield, cooperated in the acquisition and maintenance in perpetuity of large tracts of open space located between each of the cities. The cities also cooperate in the management, storage and purchase of water.

## **Citizen Involvement**

Periodically, the City engages the public in key discussions on various citywide projects. In August of 2006, the City held a two-day workshop for gathering public input on a new Downtown Mixed Use Master Plan and the Lower Arsenal Mixed Use Specific Plan. This public outreach program brought out many folks in the community that normally would not participate in such events, thus making the end product all the more successful.

In October 2008, city staff conducted a two-day Housing Expo that was designed to solicit public participation regarding an update of the City's Housing Element. This successful event serves as a basis for a draft Housing Element that will provide a blueprint for where future housing will be built in Benicia during the next 5 to 7 year period.

In summary, the City manages its ongoing operations and capital improvement programs in an efficient, business-like manner, with a focus on an entrepreneurial approach to problem solving and citizen involvement. Involving our citizens in shaping Benicia's future, preserving Benicia's charm and planning for its orderly progress into the twenty-first century, is of paramount importance.

## **FINANCIAL INFORMATION**

### **Internal Controls**

City management is responsible for establishing and maintaining an internal control structure designed to ensure government assets are protected from loss, theft or misuse and ensure adequate accounting data are compiled for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

## **Budgeting Controls**

The City maintains budgetary controls. The objective of these budget controls is to ensure compliance with the City Council approved, annual appropriated budget. Activities of the General Fund and Special Revenue Funds, if required, are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Improvement Projects Funds. Budgetary control is maintained at the department level for administrative and operating expenditures and at the project budget total for capital improvements. For administrative and operating budgets, the line-item budget authority is delegated to department managers. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

## **Governmental and Business-Type Activities and Net Assets**

For detailed information and analysis of the governmental and business-type activities and net assets, please see Management's Discussion and Analysis.

## **General Fund Reserves**

The City has adopted a fund balance reserve policy establishing a minimum fund balance equal to 20% of the fund's annual operating expenditures budget for the purpose of stabilizing the delivery of City services during periods of operational budget deficits. At a minimum, the reserves include the following: Economic Uncertainty of 5%, Liability Exposures Reserve of 5%, Emergency Reserves of 10%. At the end of this fiscal year, the General Fund has maintained the 20% minimum and in addition has an undesignated fund balance of 1%.

## **Gann Limit vs. Appropriations Subject to Limit**

Proposition 4, the "Gann Initiative," was passed by California voters in 1978 and is intended to limit government appropriations. The appropriations limit is calculated each year based upon fiscal year 1978-79 appropriations, which are modified by the composite consumer price index and population changes that have occurred in subsequent years. The City's appropriations limit and the estimated appropriations subject to the limit for the fiscal year 2007-08 amounted to \$66,402,811 and \$29,616,460, respectively. City appropriations subject to the limit have consistently remained far below the appropriation limits and are not expected to deviate from this trend in the foreseeable future.

## **Cash Management**

The City's cash and investments are managed on a pooled basis. The average investment portfolio was \$53,143,535. The average yield on investment in 2007-08 was 4.35%, average maturity at year-end was approximately a year and three quarters, and total interest earned was \$2,315,344. Investments consisted primarily of money market funds, U.S. government securities and Local Agency Investment Fund (LAIF) deposits managed by the Treasurer of the State of California. These investments are allowed under an investment policy adopted by the City Council that defines eligible investments and maturities of the City's investment portfolio and requires securities be held by the City or by a qualified safekeeping institution and be registered in the City's name.

## **Debt Administration**

The City has utilized bond financing for many public improvement projects in the past. The City's reputation and creditworthiness has been enhanced by its reliance on the same bond counsel and underwriter for nearly all bond issues brought to market over the past eighteen years. These consultants are intimately familiar with City activities and policies and are an invaluable asset in marketing the City to investors.

Additional information on the City's long-term debt can be found in Note 7 to the Basic Financial Statements.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Benicia for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The Finance Department Staff believes this report conforms to the Certificate of Achievement Program requirements and will submit the report to the GFOA to determine its eligibility. The City of Benicia has received this award for the past 16 years and it is our goal to be awarded this Certificate once again. The award demonstrates the City's conformance to the highest level of financial reporting standards, which will likely have a positive influence on the City's financial rating. This will ensure cost savings in the future when the City of Benicia seeks financing for public improvements.

## **Acknowledgements**

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my special appreciation to Assistant Finance Director Abigail M. Urrutia and Accounting Systems Supervisor Alyson Kauzer. I would also like to thank the Mayor, City Council Members and the City Manager for their support in planning and conducting City financial affairs in a responsible and efficient manner.

Respectfully submitted,



Robert Sousa  
Finance Director

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Benicia  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

IX-A-16

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INDEPENDENT AUDITOR'S REPORT ON  
BASIC FINANCIAL STATEMENTS

To the City Council  
City of Benicia, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Benicia, California, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and generally accepted government audit standards issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Benicia, California, as of June 30, 2008 and the respective changes in the financial position and cash flows, where applicable, thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in conformity with generally accepted accounting principles in the United States of America.

As described in Notes 7 and 10, the City implemented the provisions of Governmental Accounting Standards Board Statement (GASB) No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No., 50, *Pension Disclosures*.

In accordance with Government Auditing Standards, we have also issued our report dated November 6, 2008 on our consideration of the City of Benicia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplemental information listed in the Table of Contents is presented for purposes of additional analysis and is not a required as part of the basic financial statements of the City of Benicia, California. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section listed in the Table of Contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly we express no opinion on them.

*Maze & Associates*

November 6, 2008

**CITY OF BENICIA**  
**Management's Discussion and Analysis**

This management's discussion and analysis provides readers an overview and analysis of financial activities of the City of Benicia (City) for the fiscal year ended June 30, 2008. Please read this discussion and analysis in conjunction with the accompanying Transmittal Letter, the Basic Financial Statements and the accompanying notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$223.7 million. Of this amount, \$46.4 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$1.0 million due to increases in property, sales and other taxes.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$18.8 million, a decrease of \$.5 million in comparison with the prior year. Approximately 26% of this total, \$4.9 million is available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$.6 million. Additional designations of \$1.6 million for Economic Uncertainty, \$1.6 million for Exposures Reserve and \$3.2 million for Emergency Reserve have been set-aside to comply with the City's 20% reserve policy.
- The City's total debt decreased by \$3.5 million as a net result of debt maturities during the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which consists of three parts: (1) Government-wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide Financial Statements**

The Government-wide Financial Statements provide readers with a broad view of the City's finances, in a manner similar to a private-sector business, using the economic resources measurement focus and accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which liability is incurred.

The Statement of Net Assets reports information about the City as a whole. This statement includes all assets (including infrastructure) as well as all liabilities (including long-term debt) of the City. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating.

In these statements City activities are reported into two categories:

- **Governmental Activities** - Most of the City's basic services are reported in this category, including administration, community development, police, fire, parks and community services,

**CITY OF BENICIA**  
**Management's Discussion and Analysis**

public works, library services, and economic development. Property, sales and utility taxes, user fees, interest income, franchise fees, and state and federal grants are among the revenues that finance these activities.

- **Business-Type Activities** - The City charges a fee to customers to pay for the cost of certain services provided. The City's wastewater, water, marina, and transit operations are reported in this category.

**Fund Financial Statements**

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law or by bond covenants. However, the City establishes many other funds to help control and manage money for a particular purpose or to show that the City is meeting legal responsibilities for using certain taxes, grants, or other funds restricted in its use. Fund Financial Statements provide detailed information about the most significant funds, not the City as a whole.

All of the funds of the City can be divided into three categories:

- **Governmental Funds** - Most of the City's basic services are reported in governmental funds, using the current financial resources measurement focus and modified accrual accounting method, where revenues are recognized when measurable and available. Governmental funds are used to account for essentially the same functions reported as "governmental activities" in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Funds Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining the City's ability to finance its programs in the near future.

To better understand the City's long-term and short-term requirements, it is useful to compare the City's Governmental Fund Statements with the governmental activities in the Government-wide Financial Statements. A reconciliation is provided for both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances to facilitate this comparison.

- **Proprietary Funds** - When the City charges customers for services, either to outside customers or to other City departments, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way in which all activities are reported in the Government-wide Financial Statements, using the accrual basis of accounting. The City's enterprise funds are the same as the "business-type activities" reported in the government-wide financial statements, but provide more detail and additional information, such as cash flows for each enterprise fund. The City uses internal service funds to report activities that provide supplies and services to the City's other programs and activities, such as insurance, general services, building and equipment management and the retirement stability funds. Internal service funds are reported with "governmental activities" in the Government-wide Financial Statements since services provided predominantly benefit governmental rather than business-type functions.
- **Fiduciary Funds** - The City is the trustee, or fiduciary, for certain funds held on behalf of third parties. The City's fiduciary activities are reported in a separate Statements of Fiduciary Net

<b>CITY OF BENICIA</b> <b>Management's Discussion and Analysis</b>
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Assets. These activities are excluded from the City's Government-wide Financial Statements because the City cannot use these assets to finance its operations. However, the City is responsible for ensuring that assets reported in these funds are used for their specified purposes.

**Notes to the Financial Statements**

The notes provide additional information essential to a full understanding of the data provided in both the Government-wide Financial Statements and Fund Financial Statements. The notes to the financial statements can be found on pages 31-59 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The City's combined Net Assets for the year ended June 30, 2008 are summarized below.

**Summary of Net Assets**  
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 41.4	\$ 43.4	\$ 35.4	\$ 36.9	\$ 76.8	\$ 80.3
Capital assets	120.5	119.7	108.9	110.2	229.4	229.9
<b>Total Assets</b>	<b>161.9</b>	<b>163.1</b>	<b>144.3</b>	<b>147.1</b>	<b>306.2</b>	<b>310.2</b>
Long-term liabilities outstanding	23.3	23.9	47.6	50.7	70.9	74.6
Other liabilities	6.5	6.9	5.1	6.0	11.6	12.9
<b>Total Liabilities</b>	<b>29.8</b>	<b>30.8</b>	<b>52.7</b>	<b>56.7</b>	<b>82.5</b>	<b>87.5</b>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	110.6	109.1	58.7	56.8	169.3	165.9
Restricted	8.0	7.8	-	-	8.0	7.8
Unrestricted	13.5	15.4	32.9	33.6	46.4	49.0
<b>Total Net Assets</b>	<b>\$ 132.1</b>	<b>\$ 132.3</b>	<b>\$ 91.6</b>	<b>\$ 90.4</b>	<b>\$ 223.7</b>	<b>\$ 222.7</b>

**CITY OF BENICIA**  
**Management's Discussion and Analysis**

The largest portion of the City's net assets (75.7%) reflects its investments in capital assets, less any related debt used to acquire those assets still outstanding. The City uses these capital assets to provide services to citizens and are not available for future spending.

Restricted net assets represent 3.6% of the total net assets and are subject to external restrictions. The increase of \$.2 million in restricted net assets is due to delays in capital projects. These monies will be available for future spending but only for specific projects within the City and for debt payments. The balance of unrestricted net assets, which represents 20.7% of the total assets, may be used to meet the City's ongoing obligations to citizens and creditors.

A Statement of Activities and Changes in Net Assets, as of June 30, 2008, is presented below.

**Statement of Activities and Changes in Net Assets**  
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 3.9	\$ 4.7	\$ 15.0	\$ 15.3	\$ 18.9	\$ 20.0
Operating grants and contributions	1.9	1.8	1.7	1.4	3.6	3.2
Capital grants and contributions	0.3	-	-	0.4	0.3	0.4
<b>General Revenues:</b>						
Property taxes	14.3	13.9	-	-	14.3	13.9
Sales taxes	7.5	7.0	-	-	7.5	7.0
Utility users' tax	4.2	5.1	-	-	4.2	5.1
Other taxes	3.2	2.1	-	-	3.2	2.1
Motor vehicle license fees	2.0	2.0	-	-	2.0	2.0
Investment earnings	0.9	3.4	1.6	1.6	2.5	5.0
<b>Total Revenues</b>	<b>38.2</b>	<b>40.0</b>	<b>18.3</b>	<b>18.7</b>	<b>56.5</b>	<b>58.7</b>
<b>Expenses:</b>						
Administration	3.2	3.3	-	-	3.2	3.3
Community Development	2.4	2.1	-	-	2.4	2.1
Public Safety - Police	8.8	10.4	-	-	8.8	10.4
Public Safety - Fire	7.2	6.3	-	-	7.2	6.3
Parks and Community Services	6.4	6.0	-	-	6.4	6.0
Public Works	4.3	5.6	-	-	4.3	5.6
Library	2.4	2.1	-	-	2.4	2.1
Economic Development	0.5	0.4	-	-	0.5	0.4
General Government	2.8	2.9	-	-	2.8	2.9
Interest on long-term debt	0.5	0.5	-	-	0.5	0.5
Wastewater	-	-	7.0	6.9	7.0	6.9
Water	-	-	7.6	6.6	7.6	6.6
Benicia Marina	-	-	0.6	0.6	0.6	0.6
Transit	-	-	1.8	1.8	1.8	1.8
<b>Total Expenses</b>	<b>38.5</b>	<b>39.6</b>	<b>17.0</b>	<b>15.9</b>	<b>55.5</b>	<b>55.5</b>
Increase in net assets before transfers	(0.3)	0.4	1.3	2.8	1.0	3.2
Transfers	0.1	0.1	(0.1)	(0.1)	-	-
Increase in net assets	(0.2)	0.5	1.2	2.7	1.0	3.2
Net assets - 7/1/07	132.3	131.8	90.4	87.7	222.7	219.5
Net assets - 6/30/08	\$ 132.1	\$ 132.3	\$ 91.6	\$ 90.4	\$ 223.7	\$ 222.7

<b>CITY OF BENICIA</b> <b>Management's Discussion and Analysis</b>
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**Governmental Activities**

Total resources available during the year to finance governmental operations were \$170.5 million consisting of Net Assets at July 1, 2007, of \$132.3 million, program revenues of \$6.1 million and general revenues of \$32.1 million.

The cost of all governmental activities this year was \$38.5 million. The largest governmental programs include Public Safety - both Police and Fire, and Parks and Community Services. The amount that was paid by those who directly benefited from governmental programs was \$3.9 million, while operating and capital grants and contributions paid for \$2.3 million of total costs. The City paid for the remaining "public benefit" portion of governmental activities with taxes and investment earnings.

The following table shows the Net Cost of Governmental Activities, which totaled \$32.4 million.

**Net Cost of Governmental Activities**

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Administration	\$ 3,222,934	\$ 56,609	\$ (3,166,325)
Community Development	2,394,285	1,121,577	(1,272,708)
Public Safety - Police	8,818,192	551,511	(8,266,681)
Public Safety - Fire	7,206,373	369,472	(6,836,901)
Parks and Community Services	6,437,759	1,332,454	(5,105,305)
Public Works	4,337,610	1,545,036	(2,792,574)
Library	2,349,721	329,248	(2,020,473)
Economic Development	463,936	1,000	(462,936)
General Government	2,771,043	814,453	(1,956,590)
Interest on long-term debt	472,189	-	(472,189)
<b>Total</b>	<b>\$ 38,474,042</b>	<b>\$ 6,121,360</b>	<b>\$ (32,352,682)</b>

**Business-type Activities**

Total resources available during the year to finance Business-Type Activities were \$108.7 million consisting of Net Assets at July 1, 2007, of \$90.4 million, program revenues of \$16.7 million and general revenues of \$1.6 million.

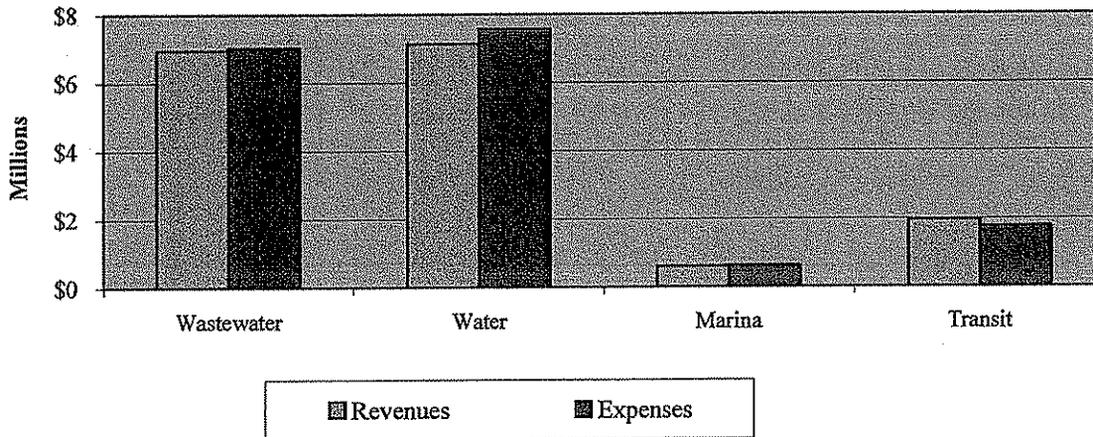
The cost of all Business-Type activities this year was \$17.0 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were \$15.0 million, while operating and capital grants and contributions were \$1.7 million.

**CITY OF BENICIA**  
**Management's Discussion and Analysis**

**Net Cost of Business-Type Activities**

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Wastewater	\$ 7,023,768	\$ 6,955,313	\$ (68,455)
Water	7,572,285	7,141,569	(430,716)
Benicia Marina	624,611	611,422	(13,189)
Transit	1,765,644	1,952,578	186,934
<b>Total</b>	<b>\$ 16,986,308</b>	<b>\$ 16,660,882</b>	<b>\$ (325,426)</b>

The following chart illustrates the comparison of operating revenues and expenses by business-type activity:



**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

In addition to the accrual-basis government-wide statements described above, the City maintains financial records at the fund level for compliance with finance-related legal requirements and for budgetary control. The Fund Financial Statements focus on individual funds of the City, reporting operations in more detail than the Government-wide Financial Statements.

**Governmental Funds**

The City's governmental funds provide information on near-term inflows, outflows and balances of spendable resources. The City's governmental funds reported a combined fund balance at June 30, 2008, of \$18.8 million, a decrease of \$.5 million in comparison with the prior year.

**CITY OF BENICIA**  
**Management's Discussion and Analysis**

**General Fund** - The General Fund is the chief operating fund of the City. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved and total fund balance to total funding requirements. At the end of the fiscal year, total fund balance of the General Fund was \$9.7 million, of which the unreserved, undesignated portion was \$.6 million. In compliance with the City's reserve policy, a total of 20% of the annual operating budget has been set-aside for the following: \$1.6 million for Economic Uncertainty, \$1.6 million for Exposures Reserve and \$3.2 million for Emergency Reserve. Total fund balance represents 31.2% total general fund expenditures, while unreserved, undesignated together with the 20% reserve set-aside represents 22.5% of that same amount.

The General Fund realized general tax and other revenues of \$32.5 million during the year to pay for \$31.2 million operating expenditures, realizing a \$1.4 million excess of revenues over expenditures. Stronger than anticipated sales tax, increases in utility users tax, and current service charges provided a boost in revenues. This resulted in a favorable variance from budgeted amounts. Total operating expenditures realized a favorable variance from budgeted amounts due to salary savings and delays in capital expenditures.

Transfers in to the General Fund were higher than budget due to reimbursements from capital lease proceeds for the Police Building renovation and Storm Drain project. Transfers out to other funds were lower than budget due to delays in construction projects. The General Fund continues to have healthy reserves for future emergencies.

**Proprietary Funds**

The City's proprietary funds provide the same type of information found in the Government-wide Financial Statements, but in more detail.

**Wastewater Fund** - The City's wastewater utility fund collected \$7.0 million in user fees to maintain the system. The fund has \$67.6 million in capital assets, net of accumulated depreciation, financed with \$25.9 million of long-term debt. The fund made debt service payments of \$2.3 million during the year.

**Water Fund** - The City's water utility fund collected \$7.1 million in user fees to sustain the system. The system has \$36.9 million in capital assets, net of accumulated depreciation, financed with \$17.8 million of long-term debt. The Water Distribution Improvement Project was completed this fiscal year with funding from reserves. The fund made \$2.0 million in debt service payments for the year.

**Benicia Marina** - The City's Marina collected \$.5 million in user fees to support its operating and debt service costs. The Marina has \$3.7 million in capital assets, net of accumulated depreciation, financed with \$3.9 million of long-term debt. Debt service payments for the year were \$.3 million. The fund continues to have deficit net assets. The City continues to evaluate options for a long-term operating solution.

**Transit** - The City's Transit system operates bus, para-transit, taxi service for the citizens of Benicia. The City collected user fees of \$.3 million, which was supplemented by an additional \$1.6 million in federal, state and local grants to support operations. The fund has \$0.8 million in capital assets, net of accumulated depreciation, financed by intergovernmental revenues.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the City Council may revise the City budget on more than one occasion. The Approved Budget is adopted by the City Council prior to the July 1 start of the fiscal year ("Original

<b>CITY OF BENICIA</b> <b>Management's Discussion and Analysis</b>
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Budget"). The City Council may add appropriations or change revenue estimates during the course of the fiscal year, primarily at midyear budget review. Finally, the revenue and expenditure estimates for the current fiscal year are revised as part of the Approved Budget ("Final Budget").

Fiscal year 2007-08 was the first year of a two-year budget. The original budget for 2007-09 was developed in early 2007. The original budget for the General Fund revenues was \$32.0 million, while expenditures were at \$31.5 million. The final budget estimates for revenues was \$32.3 million, an increase of \$.3 million, and \$32.0 million for expenditures, an increase of \$.5 million. The main components of the increases are as follows:

- \$.2 million additional revenues for sales tax in anticipation of a stronger local economy
- \$.1 million additional revenues for utility users tax in anticipation of the revised voter-approved utility user tax with a broader tax base
- \$.6 million additional appropriations for salary and benefit adjustments for all departments as a result of the market study survey in compliance with negotiated labor agreements

During the year, revenues exceeded the final budgetary estimates by \$.3 million. The largest revenue variance was additional \$.3 million realized in sales tax revenue as a result of a stronger local economy. Actual expenditures were \$.9 million less than the final budget which is mostly attributed to delays in capital outlays spending.

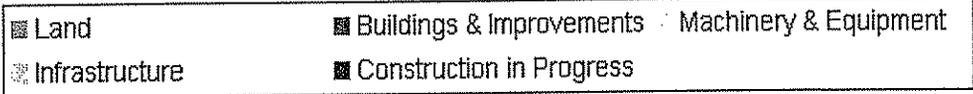
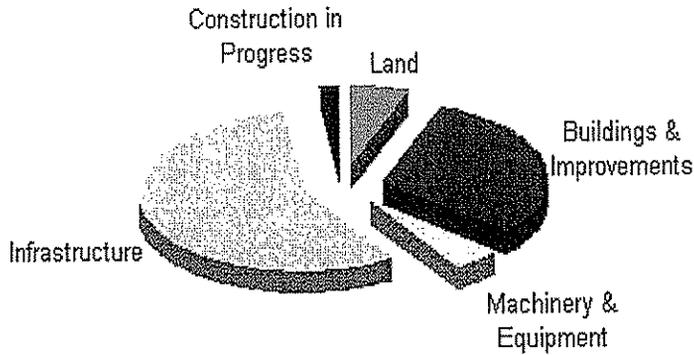
#### CAPITAL ASSETS

The capital assets of the City are those assets, which are used in the performance of the City's functions including infrastructure assets. This investment in capital assets includes land and easements, infrastructure, buildings and improvements, equipment and construction in progress. At June 30, 2008, net capital assets of the governmental activities totaled \$120.5 million and the net capital assets of the business-type activities totaled \$108.9 million. Depreciation on capital assets is recognized in the Government-wide Financial Statements.

The following table provides a breakdown of the City's capital assets at June 30, 2008:

	<b>Capital Assets</b>					
	<b>(in millions)</b>					
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 18.0	\$ 18.0	\$ 2.6	\$ 2.6	\$ 20.6	\$ 20.6
Buildings & Improvements	17.9	16.5	90.6	85.3	108.5	101.8
Machinery & Equipment	8.1	7.2	9.3	8.6	17.4	15.8
Infrastructure	130.3	124.4	71.4	69.4	201.7	193.8
Construction in Progress	4.8	9.8	2.3	7.7	7.1	17.5
<b>Total Capital Assets</b>	<b>179.1</b>	<b>175.9</b>	<b>176.2</b>	<b>173.6</b>	<b>355.3</b>	<b>349.5</b>
Accumulated Depreciation	(58.6)	(56.2)	(67.3)	(63.4)	(125.9)	(119.6)
<b>Net Assets</b>	<b>\$ 120.5</b>	<b>\$ 119.7</b>	<b>\$ 108.9</b>	<b>\$ 110.2</b>	<b>\$ 229.4</b>	<b>\$ 229.9</b>

**CITY OF BENICIA**  
**Management's Discussion and Analysis**



This year's major capital asset additions were vehicles – 2 Fire engines, a dump truck and a Transit bus. Additional information on the City's capital assets can be found in Note 6 on pages 45-47 of this report.

**DEBT ADMINISTRATION**

The City uses a variety of indebtedness to finance various capital acquisitions. At June 30, 2008, the City's long-term debt outstanding was \$74.6 million. Of this total, \$24.1 million was in governmental activities and \$50.5 was in business-type activities. The City's governmental activities decreased by \$.2 million, and business-type activities decreased by \$3.2 million as a net result of debt maturities.

The percentage of net bonded debt to taxable property valuation, and the amount of bonded debt per capita are useful indicators of the City's debt position. Per capita debt outstanding decreased by \$130 per capita from \$2,799 to \$2,669 from the previous fiscal year.

<b>CITY OF BENICIA</b> <b>Management's Discussion and Analysis</b>
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The following is a summary of the City's long-term debt obligations at June 30, 2008:

**Long-term Debt**  
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds \$	6.6	\$ 7.0			\$ 6.6	\$ 7.0
Pension Obligation Bonds	14.3	13.9			14.3	13.9
Capital Lease	3.2	3.4			3.2	3.4
Utility Revenue Bonds			11.4	12.6	11.4	12.6
Loans Payable			39.1	41.1	39.1	41.1
<b>Total Indebtedness</b>	<b>\$ 24.1</b>	<b>\$ 24.3</b>	<b>\$ 50.5</b>	<b>\$ 53.7</b>	<b>\$ 74.6</b>	<b>\$ 78.0</b>

Additional information on the City's long-term debt can be found in Note 7 on pages 48-53 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The City prepares biennial budget, which focuses on long-term financial viability and allows decision-makers to better understand the on-going impact of current policy decisions. Through the budget, the Council sets the direction of the City, allocates its resources and establishes its priorities. Positive economic indicators such as low unemployment, increase in sales tax and increase in property valuations continue to indicate a healthy economy for Benicia. However, with economic uncertainties caused by the State budget deficit, the current national financial crisis caused by the housing slowdown and collapse due to foreclosures, tight credit markets and projected increases in personnel and benefits caution was exercised in developing the budget for fiscal year 2008-09.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Finance Department at 250 East "L" Street, Benicia, CA 94510, phone (707) 746-4225.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**STATEMENT OF NET ASSETS  
AND STATEMENT OF ACTIVITIES**

CITY OF BENICIA  
STATEMENT OF NET ASSETS  
JUNE 30, 2008

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments available for City operations (Note 3)	\$22,992,808	\$30,698,757	\$53,691,565
Accounts receivable	1,443,469	2,381,929	3,825,398
Interest receivable	80,999	86,901	167,900
Materials, parts and supplies (Note 1H)	22,670	151,729	174,399
Prepaid items	100,759	75,000	175,759
Internal balances	868,405	(868,405)	
Restricted cash and investments held by fiscal agents (Note 3)	60,627	256	60,883
Deferred charges		528,941	528,941
Lease receivable		475,280	475,280
Loans receivable (Note 5)	2,882,562	1,889,587	4,772,149
Prepaid PERS contribution (Note 10)	12,938,284		12,938,284
Capital assets (Note 6):			
Non-depreciable	22,770,390	4,893,808	27,664,198
Depreciable, net of accumulated depreciation	97,760,349	104,024,443	201,784,792
<b>Total Assets</b>	<b>161,921,322</b>	<b>144,338,226</b>	<b>306,259,548</b>
<b>LIABILITIES</b>			
Accounts payable	2,336,115	1,060,754	3,396,869
Accrued payroll	199,662		199,662
Customer and performance deposits	894,585	98,609	993,194
Interest payable	186,292	436,369	622,661
Unearned revenue		379,694	379,694
General liability claims (Note 11):			
Due within one year	169,038		169,038
Workers compensation claims (Note 11):			
Due within one year	200,200		200,200
Due in more than one year	411,691		411,691
Accrued compensated absences (Note 1G):			
Due within one year	1,004,684	241,400	1,246,084
Due in more than one year	296,635		296,635
Long-term debt (Note 7):			
Due within one year	1,444,049	2,974,785	4,418,834
Due in more than one year	22,627,547	47,558,223	70,185,770
<b>Total Liabilities</b>	<b>29,770,498</b>	<b>52,749,834</b>	<b>82,520,332</b>
<b>NET ASSETS (Note 8)</b>			
Invested in capital assets, net of related debt	110,609,618	58,724,744	169,334,362
Restricted for:			
Capital projects	4,674,297		4,674,297
Debt service	1,126,958	256	1,127,214
Special revenue projects	2,250,748		2,250,748
<b>Total Restricted Net Assets</b>	<b>8,052,003</b>	<b>256</b>	<b>8,052,259</b>
Unrestricted	13,489,203	32,863,392	46,352,595
<b>Total Net Assets</b>	<b>\$132,150,824</b>	<b>\$91,588,392</b>	<b>\$223,739,216</b>

See accompanying notes to financial statements

**IX-A-30**

CITY OF BENICIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental Activities:</b>							
Administration	\$2,824,341	\$56,609			(\$2,767,732)		(\$2,767,732)
Community development	2,384,853	1,092,871	\$28,706		(1,263,276)		(1,263,276)
Public safety - police	8,774,285	190,136	361,375		(8,222,774)		(8,222,774)
Public safety - fire	7,089,431	223,919	145,553		(6,719,959)		(6,719,959)
Parks and community services	6,650,653	1,226,842		\$105,612	(5,318,199)		(5,318,199)
Public works	4,273,248	146,363	1,137,735	260,938	(2,728,212)		(2,728,212)
Library	2,349,721	205,981	123,267		(2,020,473)		(2,020,473)
Economic development	473,311	1,000			(472,311)		(472,311)
General government	3,182,776	712,131	102,322		(2,368,323)		(2,368,323)
Interest on long-term debt	472,189				(472,189)		(472,189)
<b>Total Governmental Activities</b>	<b>38,474,808</b>	<b>3,855,852</b>	<b>1,898,958</b>	<b>366,550</b>	<b>(32,353,448)</b>		<b>(32,353,448)</b>
<b>Business-type Activities:</b>							
Wastewater	7,023,768	6,955,313				(\$68,455)	(68,455)
Water	7,572,285	7,141,569				(430,716)	(430,716)
Benicia Marina	624,611	547,422	64,000			(13,189)	(13,189)
Transit	1,765,644	332,687	1,619,891			186,934	186,934
<b>Total Business-type Activities</b>	<b>16,986,308</b>	<b>14,976,991</b>	<b>1,683,891</b>			<b>(325,426)</b>	<b>(325,426)</b>
<b>Total</b>	<b>\$55,461,116</b>	<b>\$18,832,843</b>	<b>\$3,582,849</b>	<b>\$366,550</b>	<b>(32,353,448)</b>	<b>(325,426)</b>	<b>(32,678,874)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					14,275,801		14,275,801
Sales taxes					7,514,258		7,514,258
Utility users' tax					4,190,517		4,190,517
Franchise tax					1,589,752		1,589,752
Other taxes					1,644,732		1,644,732
Motor vehicle in-lieu, unrestricted					1,992,604		1,992,604
Investment earnings					913,825	1,593,423	2,507,248
Gain from disposal of capital assets					21,980	5,920	27,900
Transfers, net					68,402	(68,402)	
<b>Total general revenues and transfers</b>					<b>32,211,871</b>	<b>1,530,941</b>	<b>33,742,812</b>
<b>Change in Net Assets</b>					<b>(141,577)</b>	<b>1,205,515</b>	<b>1,063,938</b>
<b>Net Assets-Beginning</b>					<b>132,292,401</b>	<b>90,382,877</b>	<b>222,675,278</b>
<b>Net Assets-Ending</b>					<b>\$132,150,824</b>	<b>\$91,588,392</b>	<b>\$223,739,216</b>

See accompanying notes to financial statements

**FUND FINANCIAL STATEMENTS**

The fund described below was determined to be a Major Fund by the City in fiscal 2008. Individual non-major funds may be found in the Supplemental section.

**GENERAL FUND**

The General Fund is used for all of the general revenues of the City not specifically levied or collected for other City funds and the related expenditures.

CITY OF BENICIA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2008

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments available for City operations (Note 3)	\$8,977,170	\$10,880,967	\$19,858,137
Accounts receivable	919,967	523,502	1,443,469
Interest receivable	43,993	27,304	71,297
Due from other funds (Note 4B)	912,154		912,154
Prepaid items	30,740	18,163	48,903
Restricted cash and investments (Note 3)		60,208	60,208
Loans receivable (Note 5)	1,078,766	1,996,310	3,075,076
Advance to other funds (Note 4C)	250,000		250,000
	<u>\$12,212,790</u>	<u>\$13,506,454</u>	<u>\$25,719,244</u>
<b>Total Assets</b>			
<b>LIABILITIES</b>			
Accounts payable	\$1,057,094	\$1,131,047	\$2,188,141
Accrued payroll	199,662		199,662
Customer deposits	672	893,913	894,585
Due to other funds (Note 4B)		277,430	277,430
Deferred revenue	1,078,766	2,154,731	3,233,497
General liability claims (Note 11)	169,038		169,038
	<u>2,505,232</u>	<u>4,457,121</u>	<u>6,962,353</u>
<b>Total Liabilities</b>			
<b>FUND BALANCES</b>			
Fund balance (Note 8)			
Reserved for:			
Debt service		1,126,958	1,126,958
Prepaid items	30,740	18,163	48,903
Encumbrances	130,338	3,484,341	3,614,679
Open space		110,000	110,000
Advances to other funds	250,000		250,000
Unreserved:			
Designated for:			
Future projects	2,209,014		2,209,014
Cable grant	94,894		94,894
Economic uncertainty	1,592,669		1,592,669
Exposures reserve	1,592,669		1,592,669
Emergency reserve	3,185,339		3,185,339
Undesignated, reported in:			
General Fund	621,895		621,895
Special Revenue Funds		3,169,621	3,169,621
Capital Projects Funds		1,140,250	1,140,250
	<u>9,707,558</u>	<u>9,049,333</u>	<u>18,756,891</u>
<b>Total Fund Balances</b>			
<b>Total Liabilities and Fund Balances</b>	<u>\$12,212,790</u>	<u>\$13,506,454</u>	<u>\$25,719,244</u>

See accompanying notes to financial statements

CITY OF BENICIA  
 Reconciliation of the  
 GOVERNMENTAL FUNDS -- BALANCE SHEET  
 with the  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2008

Total fund balances reported on the Governmental Funds Balance Sheet \$18,756,891

Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Funds above because of the following:

**CAPITAL ASSETS**

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 111,258,329

**ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS**

Internal Service Funds are not Governmental Funds. However, they are used by management to charge the costs of certain activities, such as insurance, central services and maintenance to individual Governmental Funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line item in the Statement of Net Assets.

Cash and investments, available for City Operations	3,134,671
Restricted cash and investments	419
Interest receivable	9,702
Prepaid items	51,856
Materials, parts and supplies	22,670
Prepaid PERS contributions	12,938,284
Capital assets, net of accumulated depreciation	9,272,410
Accounts payable	(147,974)
Internal balances	(16,319)
Workers' compensation claims	(611,891)
Interest payable	(34,174)
Long-term debt	(14,302,593)

**ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES**

Revenues which are deferred on the Fund Balance Sheets, because they are not available currently, are taken into revenue in the Statement of Activities. 3,233,497

**LONG-TERM ASSETS AND LIABILITIES**

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Long-term debt	(9,769,003)
Interest payable	(152,118)
Loans receivable	(192,514)
Non-current portion of compensated absences	(1,301,319)

**NET ASSETS OF GOVERNMENTAL ACTIVITIES**

\$132,150,824

See accompanying notes to financial statements

CITY OF BENICIA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$13,534,307	\$741,494	\$14,275,801
Sales taxes	6,794,114	720,144	7,514,258
Utility users' taxes	4,190,517		4,190,517
Other taxes	2,390,562		2,390,562
Assessments		442,713	442,713
Licenses and permits	349,130		349,130
Fines and forfeitures	128,770		128,770
Use of money and property	1,140,963	487,689	1,628,652
Revenue from other agencies	2,153,754	2,422,947	4,576,701
Current service charges	1,466,190	843,818	2,310,008
Community donations		135,786	135,786
Other	399,801	44,426	444,227
<b>Total Revenues</b>	<b>32,548,108</b>	<b>5,839,017</b>	<b>38,387,125</b>
<b>EXPENDITURES</b>			
Current:			
Administration	2,729,399		2,729,399
Community development	1,426,218	837,512	2,263,730
Public safety - police	7,980,703	311,653	8,292,356
Public safety - fire	6,782,268		6,782,268
Parks and community services	5,252,504	511,713	5,764,217
Public works	1,892,290	20,457	1,912,747
Library	1,209,775	1,052,608	2,262,383
Economic development	464,110	2,212	466,322
General	3,025,451		3,025,451
Capital outlay	394,489	3,832,798	4,227,287
Debt service:			
Principal		698,064	698,064
Interest and fiscal charges		481,502	481,502
<b>Total Expenditures</b>	<b>31,157,207</b>	<b>7,748,519</b>	<b>38,905,726</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,390,901</b>	<b>(1,909,502)</b>	<b>(518,601)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	21,980		21,980
Transfers in (Note 4A)	94,813	2,558,538	2,653,351
Transfers (out) (Note 4A)	(2,087,234)	(575,039)	(2,662,273)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,970,441)</b>	<b>1,983,499</b>	<b>13,058</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(579,540)</b>	<b>73,997</b>	<b>(505,543)</b>
<b>BEGINNING FUND BALANCES</b>	<b>10,287,098</b>	<b>8,975,336</b>	<b>19,262,434</b>
<b>ENDING FUND BALANCES</b>	<b>\$9,707,558</b>	<b>\$9,049,333</b>	<b>\$18,756,891</b>

See accompanying notes to financial statements

CITY OF BENICIA  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
 with the  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2008

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$505,543)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are therefore added back to fund balance	2,352,954
Retirements are deducted from fund balance	(20,266)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$556,680 which has already been allocated to serviced funds)	(2,046,092)
Proceeds from sale of capital assets	10,667

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance	698,064
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ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Deferred revenue	(306,605)
Interest payable	9,313
Compensated absences	(19,316)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities because they service those activities.

Change in Net Assets - Internal Service Fund	(314,753)
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	(\$141,577)
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See accompanying notes to financial statements

CITY OF BENICIA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property	\$14,198,495	\$13,748,015	\$13,534,307	(\$213,708)
Sales	6,301,145	6,515,240	6,794,114	278,874
Utility users'	3,945,050	4,051,285	4,190,517	139,232
Other	2,336,920	2,497,870	2,390,562	(107,308)
Licenses and permits	350,000	430,410	349,130	(81,280)
Fines and forfeitures	130,000	130,000	128,770	(1,230)
Use of money and property	951,740	1,086,740	1,140,963	54,223
Revenue from other agencies	2,308,345	2,173,815	2,153,754	(20,061)
Current service charges	1,391,450	1,378,450	1,466,190	87,740
Other	110,225	273,845	399,801	125,956
<b>Total Revenues</b>	<u>32,023,370</u>	<u>32,285,670</u>	<u>32,548,108</u>	<u>262,438</u>
<b>EXPENDITURES:</b>				
Current:				
Administration	2,719,695	2,867,965	2,729,399	138,566
Community development	1,414,030	1,491,015	1,426,218	64,797
Public safety - police	7,962,210	7,976,460	7,980,703	(4,243)
Public safety - fire	6,717,585	6,903,420	6,782,268	121,152
Parks and community services	5,209,985	5,280,515	5,252,504	28,011
Public works	1,930,620	1,961,075	1,892,290	68,785
Library	1,192,505	1,234,565	1,209,775	24,790
Economic development	492,835	503,290	464,110	39,180
General	3,304,115	2,838,090	3,025,451	(187,361)
Capital outlay	602,105	961,040	394,489	566,551
<b>Total Expenditures</b>	<u>31,545,685</u>	<u>32,017,435</u>	<u>31,157,207</u>	<u>860,228</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>477,685</u>	<u>268,235</u>	<u>1,390,901</u>	<u>1,122,666</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	10,000	31,980	21,980	(10,000)
Transfers in (Note 4A)	78,165	78,165	94,813	16,648
Transfers (out) (Note 4A)	(1,571,300)	(2,202,480)	(2,087,234)	115,246
<b>Total other financing sources (uses)</b>	<u>(1,483,135)</u>	<u>(2,092,335)</u>	<u>(1,970,441)</u>	<u>121,894</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(\$1,005,450)</u>	<u>(\$1,824,100)</u>	<u>(579,540)</u>	<u>\$1,244,560</u>
Beginning fund balance			<u>10,287,098</u>	
Ending fund balance			<u>\$9,707,558</u>	

See accompanying notes to financial statements

**IX-A-37**

## MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City reported all of its the Enterprise Funds as major funds in fiscal 2008.

### **WASTEWATER**

Accounts for the transport, treatment and disposal of wastewater for residents and businesses located within the City.

### **WATER**

Accounts for the purchase, treatment and distribution of water to residents and businesses located within the City.

### **BENICIA MARINA**

Accounts for the operation and management of the City Marina.

### **TRANSIT**

Accounts for the operation and management of the City transit operations.

CITY OF BENICIA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2008

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Transit	Totals	
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash and investments (Note 3):						
Available for City operations	\$12,933,838	\$17,764,919			\$30,698,757	\$3,134,671
Held by fiscal agents	222	34			256	419
Accounts receivable	693,648	780,665		\$907,616	2,381,929	
Interest receivable	38,514	48,387			86,901	9,702
Materials, parts and supplies	30,346	121,383			151,729	22,670
Prepaid items			\$75,000		75,000	51,856
<b>Total Current Assets</b>	<b>13,696,568</b>	<b>18,715,388</b>	<b>75,000</b>	<b>907,616</b>	<b>33,394,572</b>	<b>3,219,318</b>
<b>Non-Current Assets:</b>						
<b>Long-Term Assets:</b>						
Prepaid PERS contribution (Note 10)						12,938,284
Deferred charges	213,935	315,006			528,941	
Loans receivable (Note 5)	986,865	902,722			1,889,587	
Lease receivable			475,280		475,280	
Advances to other funds (Note 4C)						343,460
<b>Total Long-Term Assets</b>	<b>1,200,800</b>	<b>1,217,728</b>	<b>475,280</b>		<b>2,893,808</b>	<b>13,281,744</b>
<b>Property, Plant and Equipment (Note 6):</b>						
Land	669,710	1,850,388	63,983		2,584,081	
Buildings and improvements	51,036,559	31,597,566	7,933,206	5,000	90,572,331	11,906,899
Machinery and equipment	5,566,524	2,116,373		1,650,009	9,332,906	4,092,689
Treatment plant, sewer and water pipe	41,342,270	30,048,346			71,390,616	
Construction in progress	1,023,866	1,285,861			2,309,727	
Less: accumulated depreciation	(32,073,872)	(29,992,937)	(4,337,530)	(867,071)	(67,271,410)	(6,727,178)
<b>Net Property, Plant and Equipment</b>	<b>67,565,057</b>	<b>36,905,597</b>	<b>3,659,659</b>	<b>787,938</b>	<b>108,918,251</b>	<b>9,272,410</b>
<b>Total Non-Current Assets</b>	<b>68,765,857</b>	<b>38,123,325</b>	<b>4,134,939</b>	<b>787,938</b>	<b>111,812,059</b>	<b>22,554,154</b>
<b>Total Assets</b>	<b>82,462,425</b>	<b>56,838,713</b>	<b>4,209,939</b>	<b>1,695,554</b>	<b>145,206,631</b>	<b>25,773,472</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts payable	182,736	682,292	8,906	186,820	1,060,754	147,974
Customer and performance deposits		22,955	75,000	654	98,609	
Interest payable	222,946	48,457	164,966		436,369	34,174
Due to other funds (Note 4B)			29,190	589,215	618,405	16,319
Deferred revenue	343,694	36,000			379,694	
Workers' compensation claims (Note 11)						200,200
Compensated absences (Note 1G)	121,316	120,084			241,400	
Current portion long-term liabilities (Note 7)	1,691,554	1,139,248	143,983		2,974,785	710,000
<b>Total Current Liabilities</b>	<b>2,562,246</b>	<b>2,049,036</b>	<b>422,045</b>	<b>776,689</b>	<b>5,810,016</b>	<b>1,108,667</b>
<b>Long-Term Liabilities</b>						
Workers' compensation claims (Note 11)						411,691
Utility revenue bonds (Note 7)	3,457,137	7,035,955			10,493,092	
Loans payable (Note 7)	22,430,568	10,779,386	3,855,177		37,065,131	
Pension obligation bonds (Note 7)						13,592,593
Advances from other funds (Note 4C)				250,000	250,000	343,460
<b>Total Long-Term Liabilities</b>	<b>25,887,705</b>	<b>17,815,341</b>	<b>3,855,177</b>	<b>250,000</b>	<b>47,808,223</b>	<b>14,347,744</b>
<b>Total Liabilities</b>	<b>28,449,951</b>	<b>19,864,377</b>	<b>4,277,222</b>	<b>1,026,689</b>	<b>53,618,239</b>	<b>15,456,411</b>
<b>NET ASSETS (Note 8)</b>						
Invested in capital assets, net of related debt	39,985,798	17,951,008		787,938	58,724,744	9,272,410
Restricted for:						
Debt service	222	34			256	419
Unrestricted	14,026,454	19,023,294	(67,283)	(119,073)	32,863,392	1,044,232
<b>Total Net Assets</b>	<b>\$54,012,474</b>	<b>\$36,974,336</b>	<b>(\$67,283)</b>	<b>\$668,865</b>	<b>\$91,588,392</b>	<b>\$10,317,061</b>

See accompanying notes to financial statements

**IX-A-39**

CITY OF BENICIA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Transit	Totals	
<b>OPERATING REVENUES</b>						
Charges for services	\$6,736,195	\$6,985,794		\$324,339	\$14,046,328	\$3,754,311
Connection fees	192,755	150,852			343,607	
Rentals			\$546,878		546,878	
Refunds and rebates	26,363	4,923	544	8,348	40,178	92,891
<b>Total Operating Revenues</b>	<b>6,955,313</b>	<b>7,141,569</b>	<b>547,422</b>	<b>332,687</b>	<b>14,976,991</b>	<b>3,847,202</b>
<b>OPERATING EXPENSES</b>						
Wages and benefits	2,092,715	2,420,760		17,588	4,531,063	745,310
Materials and supplies	464,169	854,267			1,318,436	656,914
Operations and maintenance	1,620,959	1,489,932	254,521	1,618,676	4,984,088	277,750
Purchased water		745,866			745,866	
Insurance premium						289,357
Claims						218,520
Depreciation	2,154,997	1,412,691	189,612	129,380	3,886,680	556,680
<b>Total Cost of Sales and Operating Expenses</b>	<b>6,332,840</b>	<b>6,923,516</b>	<b>444,133</b>	<b>1,765,644</b>	<b>15,466,133</b>	<b>2,744,531</b>
<b>Operating Income (Loss)</b>	<b>622,473</b>	<b>218,053</b>	<b>103,289</b>	<b>(1,432,957)</b>	<b>(489,142)</b>	<b>1,102,671</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest income	681,327	889,340	22,756		1,593,423	151,662
Interest (expense)	(667,387)	(582,608)	(180,478)		(1,430,473)	(1,295,933)
Amortization of issuance cost of debt	(23,541)	(66,161)			(89,702)	
Intergovernmental revenue			64,000	1,619,891	1,683,891	
Pension obligation amortization						(345,375)
Gain from sale of capital assets	1,895	2,325		1,700	5,920	(5,102)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(7,706)</b>	<b>242,896</b>	<b>(93,722)</b>	<b>1,621,591</b>	<b>1,763,059</b>	<b>(1,494,748)</b>
<b>Income (Loss) Before Transfers</b>	<b>614,767</b>	<b>460,949</b>	<b>9,567</b>	<b>188,634</b>	<b>1,273,917</b>	<b>(392,077)</b>
Transfers in (Note 4A)				9,763	9,763	102,324
Transfers (out) (Note 4A)	(31,265)	(46,900)			(78,165)	(25,000)
<b>Net Transfers</b>	<b>(31,265)</b>	<b>(46,900)</b>		<b>9,763</b>	<b>(68,402)</b>	<b>77,324</b>
<b>Change in Net Assets</b>	<b>583,502</b>	<b>414,049</b>	<b>9,567</b>	<b>198,397</b>	<b>1,205,515</b>	<b>(314,753)</b>
<b>BEGINNING NET ASSETS (DEFICIT)</b>	<b>53,428,972</b>	<b>36,560,287</b>	<b>(76,850)</b>	<b>470,468</b>	<b>90,382,877</b>	<b>10,631,814</b>
<b>ENDING NET ASSETS (DEFICIT)</b>	<b>\$54,012,474</b>	<b>\$36,974,336</b>	<b>(\$67,283)</b>	<b>\$668,865</b>	<b>\$91,588,392</b>	<b>\$10,317,061</b>

See accompanying notes to financial statements

CITY OF BENICIA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Transit	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$6,972,141	\$7,180,909	\$334,811	\$230,566	\$14,718,427	\$3,847,202
Payments to suppliers	(2,082,060)	(3,288,111)	(220,615)	(1,701,973)	(7,292,759)	(930,580)
Payments to employees	(2,100,607)	(2,411,719)		(17,588)	(4,529,914)	(1,034,667)
Claims paid						(296,742)
<b>Cash Flows from Operating Activities</b>	<u>2,789,474</u>	<u>1,481,079</u>	<u>114,196</u>	<u>(1,488,995)</u>	<u>2,895,754</u>	<u>1,585,213</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Interfund receipts			29,190	343,218	372,408	14,826
Operating grant and contributions			64,000	1,247,870	1,311,870	
Transfers in				9,763	9,763	102,324
Transfers (out)	(31,265)	(46,900)			(78,165)	(25,000)
Advance from other funds				250,000	250,000	
<b>Cash Flows from Noncapital Financing Activities</b>	<u>(31,265)</u>	<u>(46,900)</u>	<u>93,190</u>	<u>1,850,851</u>	<u>1,865,876</u>	<u>92,150</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of capital assets	(439,126)	(1,768,959)		(363,556)	(2,571,641)	(1,089,925)
Proceeds from sale of capital assets	1,895	2,325		1,700	5,920	5,565
Principal payments on long-term debt	(1,638,082)	(1,393,113)	(137,783)		(3,168,978)	
Interest paid	(708,820)	(651,774)	(186,161)		(1,546,755)	
<b>Cash Flows from Capital and Related Financing Activities</b>	<u>(2,784,133)</u>	<u>(3,811,521)</u>	<u>(323,944)</u>	<u>(361,856)</u>	<u>(7,281,454)</u>	<u>(1,084,360)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Principal paid on non-capital debt						(470,000)
Interest paid on non-capital debt						(414,667)
Interest received	710,882	946,307	23,222		1,680,411	160,326
<b>Cash Flows from Investing Activities</b>	<u>710,882</u>	<u>946,307</u>	<u>23,222</u>		<u>1,680,411</u>	<u>(724,341)</u>
<b>Net Cash Flows</b>	<u>684,958</u>	<u>(1,431,035)</u>	<u>(93,336)</u>		<u>(839,413)</u>	<u>(131,338)</u>
Cash and investments at beginning of period	<u>12,249,102</u>	<u>19,195,988</u>	<u>93,336</u>		<u>31,538,426</u>	<u>3,266,428</u>
Cash and investments at end of period	<u>\$12,934,060</u>	<u>\$17,764,953</u>			<u>\$30,699,013</u>	<u>\$3,135,090</u>
<b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:</b>						
Operating income (loss)	\$622,473	\$218,053	\$103,289	(\$1,432,957)	(\$489,142)	\$1,102,671
<b>Adjustments to reconcile operating income to cash flows from operating activities:</b>						
Depreciation	2,154,997	1,412,691	189,612	129,380	3,886,680	556,680
<b>Change in assets and liabilities:</b>						
Receivables, net	64,968	43,326	32,389		140,683	
Materials, parts and supplies	1,888	7,554			9,442	(13,105)
Other assets	18,877	61,325	25,000		105,202	(23,322)
Accounts payable and other accrued expenses	(17,697)	(266,925)	8,906	(83,223)	(358,939)	40,511
Accrued compensated absences	(7,892)	9,041			1,149	
Refundable deposits		(3,321)	(25,000)	(74)	(28,395)	
Deferred revenue	(48,140)	(665)	(220,000)	(102,121)	(370,926)	
Workers' compensation claims						(78,222)
<b>Cash Flows from Operating Activities</b>	<u>\$2,789,474</u>	<u>\$1,481,079</u>	<u>\$114,196</u>	<u>(\$1,488,995)</u>	<u>\$2,895,754</u>	<u>\$1,585,213</u>
<b>NONCASH TRANSACTIONS:</b>						
Interest accretion on non-capital debt						<u>(\$411,266)</u>

See accompanying notes to financial statements

**FIDUCIARY FUNDS**

Trust funds are used to account for assets held by the City as a trustee agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements. The City maintains a Trust Fund for the Affordable Housing Private Purpose Trust.

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements. The City maintains its Agency Funds for its assessment districts and the Benicia Historical Museum.

CITY OF BENICIA  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET ASSETS  
 JUNE 30, 2008

	<u>Affordable Housing Private Purpose Trust Fund</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Restricted cash and investments (Note 3)	\$18,531	\$3,168,976
Interest receivable	<u>51</u>	<u>8,594</u>
Total Assets	<u>18,582</u>	<u>\$3,177,570</u>
<b>LIABILITIES</b>		
Due to bondholders	<u>                    </u>	<u>\$3,177,570</u>
Total Liabilities	<u>                    </u>	<u>\$3,177,570</u>
<b>NET ASSETS</b>		
Held in trust for: Other governments	<u>18,582</u>	
Total Net Assets	<u>\$18,582</u>	

See accompanying notes to financial statements

CITY OF BENICIA  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Affordable Housing Private Purpose Trust Fund
<b>ADDITIONS</b>	
Use of money and property	\$755
Total Additions	755
CHANGE IN NET ASSETS	755
NET ASSETS, BEGINNING OF YEAR	17,827
NET ASSETS, END OF YEAR	\$18,582

See accompanying notes to financial statements

## **General Fund Budget to Actual Comparison**

Exhibit 1 (a)

**General Fund Budget-to-Actual**

	Amended FY 2007/08	Actual YTD	Surplus/ (Deficit)	Salary & Benefit Savings	Materials Supplies Services	Accounting Liability Misc. Rev.	Note
<b>Revenues</b>							
City Council	0	200	200			200	
City Clerk	0	0	0			0	
City Treasurer	54,670	56,850	2,180			2,180	
City Manager	0	570	570			570	
City Attorney	0	0	0			0	
Economic Development	0	1,000	1,000			1,000	
Human Resources	0	515	515			515	
Finance	0	0	0			0	
Library	69,475	67,365	(2,110)			(2,110)	
Community Development	627,450	482,585	(144,865)			(144,865)	
Police	513,520	453,825	(59,695)			(59,695)	
Fire	131,750	335,435	203,685			203,685	(1)
Public Works	52,000	45,255	(6,745)			(6,745)	
Parks & Community Services	936,000	1,023,270	87,270			87,270	(2)
Insurances	0	6,640	6,640			6,640	
Non-Departmental	29,668,035	29,339,595	(328,440)			(328,440)	(3)
Interfund Transfer-In	78,165	78,165	0			0	
<b>Revenue Total</b>	<b>32,131,065</b>	<b>31,891,270</b>	<b>(239,795)</b>	<b>0</b>	<b>0</b>	<b>(239,795)</b>	
<b>Expenditures</b>							
City Council	96,005	97,075	(1,070)	1,095	(2,165)		
City Clerk	79,395	78,010	1,385	3,130	(1,745)		
City Treasurer	60,080	56,850	3,230	790	2,440		
City Manager	444,890	454,430	(9,540)	(2,080)	(7,460)		
City Attorney	568,685	569,185	(500)	27,080	(27,580)		
Human Resources	407,155	365,100	42,055	56,455	(14,400)		
Finance	1,109,480	983,070	126,410	93,770	32,640		(4)
Community Grants & Promotions	485,755	486,255	(500)		(500)		
Economic Development	473,290	454,740	18,550	(6,235)	24,785		
Library	1,234,565	1,209,775	24,790	9,705	15,085		
Community Development	1,504,815	1,433,840	70,975	27,030	43,945		
Police	8,025,460	8,026,425	(965)	23,125	(24,090)		
Fire	7,023,175	6,899,210	123,965	48,740	75,225		(5)
Public Works	2,012,340	1,956,655	55,685	15,685	40,000		
Parks & Community Services	5,281,505	5,272,370	9,135	22,015	(12,880)		
Insurances	647,930	712,735	(64,805)		8,200	(73,005)	
Non-Departmental	1,704,405	2,164,320	(459,915)	(82,320)	(2,595)	(375,000)	(6)
Interfund Transfer-Out	604,350	595,815	8,535		8,535		
<b>Expenditure Total</b>	<b>31,763,280</b>	<b>31,815,860</b>	<b>(52,580)</b>	<b>237,985</b>	<b>157,440</b>	<b>(448,005)</b>	
<b>Operational Surplus/(Deficit)</b>	<b>367,785</b>	<b>75,410</b>	<b>(292,375)</b>				
<b>Capital Projects &amp; Non-Recurring</b>							
Non-Recurring Revenues	860,395	1,358,625	498,230				(7)
Non-Recurring Expenditures	2,381,265	1,580,235	801,030				(8)
<b>Non-Recurring Surplus/(Deficit)</b>	<b>(1,520,870)</b>	<b>(221,610)</b>	<b>1,299,260</b>				
<b>Combined Surplus/(Deficit)</b>	<b>(1,153,085)</b>	<b>(146,200)</b>	<b>1,006,885</b>				
Transfers to Balance Sheet	(643,155)	(281,145)					
Misc Adjust		(141,495)					
<b>Fund Balance</b>	<b>6,456,205</b>	<b>7,242,575</b>					
	<b>20.3%</b>	<b>22.9%</b>					
Over/(Short) of Reserve	103,349	879,403					

Exhibit 1 (b)

General Fund Notes

Item Description

1	California experienced an increase in fire disasters during FY07-08. Through mutual aid, the Fire Department has sent strike teams all over the state to help combat fires, which accounted for several reimbursements from the Office of the Emergency Services.
2	The popularity of the specialty classes and recreation programs offered by the Parks & Community Services Department have led to revenues well above budgeted amounts.
3	Non-departmental revenues came in lower than anticipated due to decline in business license taxes, property transfer taxes and state motor vehicle fees.
4	The Finance Department had vacancies that created salary savings for the year.
5	The Fire Department also experienced vacancies for the fiscal year which resulted in salary savings.
6	The City experienced a higher vacation leave payout and total salary savings for the year was budgeted in this line item instead of individual departments were actual savings occurred.
7	The agreement between the City and Valero for the property tax repayment commenced this fiscal year. Repayment consisted of prior year and current year agreed amount.
8	The Non-Recurring Expenditures had several capital projects that have been delayed to future years.

Exhibit 11

**General Fund Reconciliation - Budget to CAFR**

	General Fund Budget Report Actual	Cable Fund Budget Report Actual	Combined Budget Report Total	Audited CAFR Report Actual
Revenues:				
Operating	\$ 31,891,270	\$ 11,665	\$ 31,902,935	\$ 32,548,108
Non-Recurring	1,358,625		1,358,625	-
Other Financing Sources			-	116,793
Deduct Reserves *			(596,645)	-
<b>Total Revenues</b>	<b>\$ 33,249,895</b>	<b>\$ 11,665</b>	<b>\$ 32,664,915</b>	<b>\$ 32,664,901</b>
Expenditures:				
Operating	\$ 31,815,860	\$ 21,395	\$ 31,837,255	\$ 31,157,207
Non-Recurring	1,580,235		1,580,235	-
Other Financing Uses			-	2,087,234
Deduct Loan Given to Transit *			(209,765)	-
Add back loan reimbursement *			36,720	-
<b>Total Expenditures</b>	<b>\$ 33,396,095</b>	<b>\$ 21,395</b>	<b>\$ 33,244,445</b>	<b>\$ 33,244,441</b>
<b>Surplus/(Deficit)</b>	<b>\$ (146,200)</b>	<b>\$ (9,730)</b>	<b>\$ (579,530)</b>	<b>\$ (579,540)</b>

Reconciliation of Fund Balances

<b>Available Fund Balance Reported in Budget</b>	<b>\$ 7,242,575</b>
Adjustments to reconcile to CAFR Fund Balance:	
Reserved for Prepaid Items	30,740
Reserved for Encumbrance	130,338
Unreserved - Future Projects	2,209,014
Unreserved - Cable Grant	94,894
<b>Total Fund Balance Reported in CAFR</b>	<b>\$ 9,707,561</b>

\* For budget purposes, the use of reserves show as revenues and loans show as expenditures.

**AGENDA ITEM  
CITY COUNCIL MEETING: FEBRUARY 17, 2009  
ACTION ITEMS**

**DATE** : January 29, 2009

**TO** : City Manager

**FROM** : City Attorney  
Director of Public Works

**SUBJECT** : **APPROVAL OF AN UNTREATED WATER DELIVERY  
AGREEMENT WITH VALERO REFINING COMPANY -  
CALIFORNIA**

**RECOMMENDATION:**

Continue consideration of this item to the March 3, 2009 City Council meeting to allow resolution of the lump sum payment to Solano Irrigation District (Item 14.ii of the draft agreement).

**EXECUTIVE SUMMARY:**

The existing agreement for the delivery of untreated water to the refinery now owned and operated by Valero Refining Company – California expires on January 31, 2009. The City has been negotiating with Valero to develop a new agreement. Unfortunately, the parties have been unable to agree to one key point regarding the payment of the upfront costs to obtain Solano Irrigation District Water. To permit Valero and staff to arrive at a solution, staff recommends that the Council allow the delivery of untreated water between February 1, 2009 and March 3, 2009.

**STRATEGIC PLAN:**

Relevant Strategic Plan Goals and Strategies:

- Goal 2.00: Strengthen the Economy
  - ▶ Strategy 2.30: Facilitate and encourage sustainable development (providing substantial economic benefits while preserving Benicia's environment)
- Goal 4.00: Preserve and Enhance City Assets and Infrastructure
  - ▶ Strategy 4.40: Improve and maintain facilities and infrastructures

The refinery is a major member of the City's business community and its single largest water user. Currently, Valero uses between 4.2 and 4.5 million gallons per day.

## **BUDGET INFORMATION:**

The proposed agreement utilizes the Cost of Service approach as the basis on which charges are assessed to the refinery for water consumed. Under this methodology Valero will pay a rate that recovers the City's cost of supplying water, adjusted biannually pursuant to the City's budget setting process. The rate structure will consist of a fixed monthly service charge and a variable (volume) charge, with two volume rate tiers, based on monthly metered untreated water usage. For the first two years of the agreement, this will represent a thirty-nine percent (39%) increase in revenues to the City's Water Enterprise Fund. Additionally, the City intends to purchase a supplemental supply of water from the Solano Irrigation District. The draft agreement proposes that Valero will pay its share, \$2 million, toward the purchase cost of that water within fifteen (15) days of being invoiced using Good Neighbor Steering funds.

## **BACKGROUND:**

Staff and Valero have been unable to resolve how the lump sum payment to Solano Irrigation District should be made. This payment is to help purchase higher quality and reliable water from Solano Irrigation District ("SID"). SID requires an upfront payment in addition to an ongoing payments to purchase the water. The lump sum payment will allow SID to do work which will improve water conservation efforts of SID. SID requires a five million dollar upfront payment for the water. Based on the fact that Valero consumes, as untreated water, approximately forty percent (40%) of the City's water supply, staff proposed that Valero pay their fair share of the \$5 million, or \$2 million (40% of \$5 million). Valero objects to making a lump sum payment and would like the payment to be captured in the rates. Valero claims that the lump sum payment discriminates against them. Note, however, that Valero is in a different class than the ordinary water user. Not only do they use 40% of the City's water but also are using untreated water. The SID water is a unique and rare opportunity to purchase higher quality, reliable water. One way to avoid Valero having to come up with "new" money for the SID purchase would be to shift funds already committed by Valero to the Good Neighbor Agreement. As drafted in paragraph 14.ii, the \$2 million from the Good Neighbor Steering Agreement for water conservation projects this year would be used to make the SID payment. Then, an additional year would be added to the Good Neighbor Steering Agreement so that the project would not be shortchanged. One factor in this proposal is that there is not a project that is ready to use the \$2 million committed for this year.

The agreement to supply and deliver untreated water to the refinery located at 3400 East Second Street is forty-two (42) years old and expired January 31, 2009. The agreement was assigned to Valero by Exxon Company, U.S.A. in 2000 when Valero acquired the facility. Exxon was assigned the agreement from Humble Oil & Refining Company in 1988. Humble entered into the agreement with the City in 1967.

Valero desires to continue to receive from the City untreated water for its refining processes. Toward that end, City staff negotiated the proposed agreement in accordance

with guidance received from the Council's subcommittee members, Mayor Patterson and Vice Mayor Campbell. Highlights of the major terms and conditions follow.

- Term:** Begins 2/1/2009  
Ends 1/31/2030  
(terminates in advance of the State Water Project agreements, which expire in 2035)
- Extensions:** Automatic until the State contract is renewed on a long-term basis. Once the State contract is renewed, the extension is for an additional 20-year term subject to negotiating other terms. If the parties cannot agree, it continues on a year-to-year basis until the City or Valero terminates.
- Termination:**
- Valero:** If no need for untreated water, may terminate after the 10<sup>th</sup> year, with 3 years notice. Must still make minimum payments until the termination date.
- State/SCWA Contracts:** If these are terminated/not renewed, the agreement terminates on the earlier of:
1. 3 years notice to Valero or
  2. City not receiving sufficient water to supply Valero
- New or Amended State Contracts:** If no need for untreated water, may terminate after the 10<sup>th</sup> year, with 3 years notice. Must still make minimum payments until the termination date.
- New Untreated Water Facilities:** If solely used for Valero, Valero has to repay. No repayment schedule may extend beyond 2030.
- Delivery Facilities:** City provides the facilities to deliver water to the point of delivery. Valero pays its share of the costs for those facilities. No City liability for providing rate of flow or pressure different than that stipulated.
- Water Quantity:** Annual maximum/minimum: Valero may demand between 1160 million gallons (3.18 million gallons per day) and 1890.8 million gallons per year (5.18 million gallons per day). Changes in these amounts for a period of more than 45 days requires notification to, and approval by, the City.
- Water Quality:** No City liability for water quality.

**Water Charges:** Monthly rate that recovers the City's cost of supplying water, adjusted biannually pursuant to the City's budget setting process. The rate structure will consist of a fixed monthly service charge and a variable (volume) charge, with two volume rate tiers, based on monthly metered untreated water usage. Payment to be made within fifteen (15) days of invoice. Late payments subject to standard penalties.

**Supply Interruptions:** City to use reasonable efforts to prevent. City to provide advanced notice to the extent practical. No guarantee of no interruptions and no City liability should one occur.

**Water Shortage:** City to use reasonable efforts to avoid. No obligation to provide water if it would have an adverse impact on public health and safety.

**Emergency Reserve:** Reserve 230 acre feet (75 million gallons) in Lake Herman for emergency needs of the refinery, an approximate 15 day supply.

**Joint Efforts:** Cooperate on projects to enhance water supply reliability. Valero to pay its prorata share (\$2 million) of cost associated with City's purchase of Solano Project Water from the Solano Irrigation District.

In summary, the proposed agreement provides for the continued supply and delivery of untreated water for the refinery's industrial purposes under new terms and conditions that provides increased revenues and revenue protection for the City and protects the City from liability for poor water quality, supply interruptions, and water shortages. It is recommended, therefore, that Council approve the proposed agreement with Valero Refining Company – California for the delivery of untreated water.

cc: Assistant Director of Public Works

**Attachments:**

- Proposed Resolution (not for adoption at this time)
- Proposed Agreement

## **PROPOSED RESOLUTION**

**RESOLUTION NO. 09-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA  
APPROVING AN UNTREATED WATER DELIVERY AGREEMENT WITH  
VALERO REFINING COMPANY – CALIFORNIA**

**WHEREAS**, the City is the supplier of water (both treated and untreated) to its inhabitants, including the supply of such water for municipal and industrial purposes; and

**WHEREAS**, the City obtains this water from a variety of sources; and

**WHEREAS**, Valero Refining Company – California is the operator of the refinery located in the City that has a need for a supply of untreated water; and

**WHEREAS**, the City has been supplying Valero Refining Company – California with untreated water pursuant to the terms of a 1967 agreement that was assigned to it by the Exxon Company, U.S.A. in 2000 when it acquired the refinery; and

**WHEREAS**, the 1967 agreement expired pursuant to its terms on January 31, 2009; and

**WHEREAS**, the City is willing to continue to supply and deliver untreated water to the refinery under the terms and conditions of a new agreement.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Benicia hereby approves the Agreement for the Supply of Untreated Water with Valero Refining Company – California, subject to approval as to form by the City Attorney.

\*\*\*\*\*

On motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, the above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 17<sup>th</sup> day of February, 2009, and adopted by the following vote:

Ayes:

Noes:

Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

Attest:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

# **PROPOSED AGREEMENT**

**AGREEMENT**  
**BETWEEN**  
**THE CITY OF BENICIA**  
**AND**  
**VALERO REFINING COMPANY-CALIFORNIA**  
**FOR THE SUPPLY OF UNTREATED WATER**

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**EXHIBIT A**

**METHODOLOGY FOR CALCULATING CHARGES FOR UNTREATED WATER AND INITIAL RATE CALCULATION [INCLUDING INITIAL RATE CALCULATION SPREADSHEET (WITH APPROPRIATE EXPLANATORY FOOTNOTES)]**

**AGREEMENT BETWEEN THE CITY OF BENICIA AND VALERO REFINING  
COMPANY-CALIFORNIA FOR THE SUPPLY OF UNTREATED WATER**

This Agreement is entered into by and between the City of Benicia, a municipal corporation, (“City”) and Valero Refining Company – California (“Valero”) as of February 1, 2009, the Effective Date.

**RECITALS**

1. The City is the supplier of water (both treated and untreated) to its inhabitants, including the supply of such water for municipal and industrial (“M&I”) purposes.
2. The City obtains this water from a variety of sources, including its primary suppliers, the California Department of Water Resources and the Solano County Water Agency.
3. Valero is the operator of the Refinery located in the City which has a need for a supply of Untreated Water.
4. The City has been supplying Valero with Untreated Water pursuant to the terms of an agreement that was assigned to Valero by the Exxon Company, U.S.A. in 2000 when Valero acquired the refinery; Exxon was assigned said agreement from the Humble Oil & Refining Company in 1988. Humble entered into the agreement in 1967.
5. The 1967 Agreement expires pursuant to its terms on January 31, 2009. Valero has requested that the City continue to supply Valero with certain quantities of Untreated Water.
6. The City is willing to supply and deliver such Untreated Water to the Refinery in accordance with the terms of this Agreement.
7. This Agreement addresses only the supply of Untreated Water from the City to Valero. Treated water supplied to Valero by the City is governed by the terms of Title 13, Division I of the City of Benicia Municipal Code.
8. On July 10, 2008, Valero entered into a settlement agreement with the Good Neighbor Steering Committee that included a commitment to provide up to \$10,000,000 toward water conservation projects in the City of Benicia; the City of Benicia is a beneficiary of this Agreement.

NOW, THEREFORE, for and in consideration of the promises set forth herein, the receipt and sufficiency of which are agreed upon, the Parties agree as follows:

**1. DEFINITIONS.**

“Acre feet” means, for purposes of this Agreement, a volume of water equivalent to 326,000 Gallons.

“Affiliate” means, in respect of any person or legal entity, any other individual, partnership, corporation, trust, entity, or association, directly or indirectly, through one or more intermediaries, who or which is controlling, controlled by, or under common control with such person or legal entity. The term “control,” as used in the immediately preceding sentence, means, (i) with respect to a corporation or limited liability company, the right to exercise, directly or indirectly, more than fifty percent (50%) of the outstanding voting rights attributable to the controlled corporation or limited liability company, and, (ii) with respect to any other

individual, partnership, trust, entity, or association, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled entity, by contract or otherwise.

“**Agreement**” means this Agreement between the City of Benicia and the Valero Refining Company-California for the Supply of Untreated Water, as such agreement may be amended, supplemented, or restated from time to time or at any time in accordance with its own terms.

“**Base Supply Quantity**” has the meaning as provided for in clause (i) of Article 7.

“**Business Day**” means any day other than Saturday, Sunday, a legal holiday, any holiday granted by the City generally to its employees, or a day on which banking institutions in California are authorized by Law or other governmental action to close.

“**CDWR**” means the California Department of Water Resources.

“**Claims**” means liabilities, obligations, losses, damages, penalties, claims (including without limitation claims involving liability and tort, strict liability, or otherwise), actions, suits, judgments, costs, expenses, and disbursements of any kind and nature whatsoever without any limitation as to amount.

“**Contract Year**” means each separate, successive twelve (12) month period, commencing on the Effective Date for the first year and thereafter on July 1, 2010 and each anniversary thereof throughout the Term.

“**Effective Date**” means February 1, 2009.

“**Expense**” means any payment for damages to property or injury resulting from a Claim or any payments for equipment, facilities, supplies, or services rendered that are incurred in the normal course of business.

“**Force Majeure Event**” means any cause or event which is reasonably beyond the control of a Party, and includes, without limitation, events such as and similar to flooding, lightning, landslide, earthquake, fire, drought, explosion, epidemic, quarantine, storm, hurricane, tornado, other natural disaster or adverse weather-related events (including extreme heat or cold), war (declared or undeclared), strikes, acts of a public enemy (including acts of terrorism), blockade, insurrection, revolution, expropriation or confiscation, power loss or shortage, breakage or cessation of or accident to equipment or facilities, and unavailability of fuel, power or raw materials, except to the extent that such circumstances or conditions are caused by or the result of any negligent act or omission, or willful misconduct, of any Party, its Affiliates, or any of the employees, agents, contractors, subcontractors, or representatives of such Party or Affiliate. The Parties agree that the exception described herein does not create any new remedy, or add to or expand any remedy provided in this Agreement, for breach or material default hereof.

“**GPD**” means gallons per day.

“**GPM**” means gallons per minute.

“**Initial Term**” has the meaning as provided for in clause (i) of Article 4.

“**Law**” means any applicable federal, state, local, or municipal law, rule, regulation, statute, ordinance, order, judgment, or similar legal mandate issued by any Governmental Authority.

“**Losses**” has the meaning as provided for in Article 23.

“**Maximum Demand Quantity**” has the meaning as provided for in clause (i) of Article 7.

“**MGD**” means million gallons per day.

“**Minimum Annual Charges**” has the meaning as provided in clause (iv) of Article 9.

“**Minimum Monthly Payment**” has the meaning as provided in clause (iv) of Article 9.

“**Newly Dedicated Facilities**” has the meaning as provided for in clause (v) of Article 4.

“**Parties**” means the City and Valero together.

“**Party**” means either the City or Valero, individually.

“**Person**” means any natural person, firm, trust, partnership, corporation, limited liability company, joint venture, association, joint stock company, enterprise, unincorporated entity, government, governmental agency, or other entity.

“**Point of Delivery**” has the meaning as provided for in clause (i) of Article 6.

“**Refinery**” means the refinery located in the City at 3400 East 2<sup>nd</sup> Street, Benicia, CA 94510-1097.

“**Renewal Term**” has the meaning as provided for in clause (i) of Article 4.

“**Repayment Schedule**” has the meaning as provided for in clause (v) of Article 4.

“**SCWA**” means the Solano County Water Agency.

“**Term**” means, collectively, both the Initial Term and each Renewal Term, if any.

## 2. INTERPRETATION.

### i. Ambiguities

Ambiguities or uncertainties in the wording of this Agreement will not be construed for or against any Party, but will be construed in the manner that most accurately reflects the Parties' intent as of the date they executed this Agreement.

### ii. Common Usage of Word and Phrases

The words used in this Agreement shall have their common meaning unless otherwise specifically defined. In this Agreement, unless a clear contrary intention appears: (a) the singular number includes the plural number and vice-versa; (b) reference to any Person includes such Person's successors and assigns, if applicable, and only if such successors and assigns are permitted by this Agreement; (c) reference to a Person in a particular capacity excludes such Person in any other capacity; (d) reference to any gender includes each other gender; (e) reference to any agreement (including this Agreement), document, or instrument means such agreement, document, or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof, unless otherwise specified; (f) reference to any article, section, schedule, or exhibit means such article, section, schedule, or exhibit that is either attached to this Agreement or specifically incorporated by reference thereto, and references in any article, section, schedule, exhibit, or definition to any clause means such clause of such article, section, schedule, exhibit, or definition; (g) "hereunder", "hereof", "hereto", "herein" and words of similar import are references to this Agreement as a whole and not to any particular section or other provisions hereof, unless specified otherwise; (h) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including"; (i) "including" (and with correlative meaning "include") means "including, without limiting" the generality of any description preceding such term; and (j) reference to any Law means such Law as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time.

## 3. HEADINGS.

The headings used for the sections herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of this Agreement.

## 4. TERM OF AGREEMENT; TERMINATION OF AGREEMENT.

### i. Initial Term; Renewal Term

This Agreement shall be for an initial term of twenty-one years, commencing on February 1, 2009 and expiring January 31, 2030 (the "Initial Term"). If the Parties have not renegotiated a renewal of this Agreement prior to the expiration of the Initial Term, this Agreement will be extended automatically without further action by either of the Parties for such additional years (the "Renewal Term") until, subject to clause (iii) of this Article 4, such time as the contract between CDWR, or any successor thereto, and the several contractors that receive water from the State Water Project ("SWP"), including the "SCWA," or any successor thereto, is renewed on a long-term basis ("SWP Contract"). For purposes of this Agreement only, renewal

of the SWP Contract is deemed to occur once all legal, regulatory, judicial, and administrative challenges to the SWP Contract have been concluded. Upon such occurrence, this Agreement shall then automatically extend for one successive twenty-year term, subject to any new terms and conditions as may be required by the Parties. If the Parties cannot agree on such new terms and conditions, this Agreement will continue without further action by the Parties on a year-to-year basis, unless terminated by the City or Valero. Any party desiring to terminate the Agreement will provide the other Party with at least three years written notice prior to such termination pursuant to this Article.

ii. Valero's Right of Early Termination

In the event that Valero no longer requires Untreated Water from the City for the purposes set forth in this Agreement, and provided however, that this Agreement has not been previously assigned or transferred by Valero, Valero shall have the right to freely terminate this Agreement at any time after the completion of the tenth Contract Year by giving the City at least three years prior notice of its intent to so terminate without being held in breach or default hereof solely as a result of such termination. In the event of such termination, Valero shall continue to make the Minimum Payments to the City as provided in clause (iv) of Article 9 until the actual termination date of this Agreement as re-determined in accordance with this clause (ii).

iii. Termination; Cancellation of City's Contracts with CDWR or SCWA

In the event the City's contract(s) with either the CDWR or the SCWA to supply water, certain quantities of which will, in turn, be used to meet the City's delivery obligations under this Agreement, is not renewed or is otherwise abridged such that the City decides, in its sole discretion, to not renew one or more of the contracts, then, following notice of termination from the City to Valero, this Agreement shall terminate upon the sooner of: (a) three years from the date of such notice, or (b) the time at which the City no longer receives a quantity of water from CDWR or SCWA sufficient to supply Valero with its needs as set forth in this Agreement. The City agrees to keep Valero generally and timely informed of the status of any negotiations of a new or renewed State Water Project Contract at a level of information sufficient to inform Valero of the City's judgment of the likelihood of renewal of the State Water Project Contract. The City shall not be required to disclose any privileged or confidential information pursuant to this provision.

iv. Termination after New or Amended State Water Project Contract

In the event the City's contract with the CDWR is renewed and the City has received an entitlement to a quantity of water which includes a volume that could satisfy continued demand by Valero, then in the event that Valero thereafter determines that it no longer requires Untreated Water from the City for the purposes set forth in this Agreement, and provided however, that this Agreement has not been previously assigned or transferred by Valero, Valero shall have the right to freely terminate this Agreement at any time after the completion of the tenth Contract Year following renewal of the contract with CDWR by giving the City at least three years prior notice of its intent to so terminate without being held in breach or default hereof solely as a result of such termination. In the event of such termination, Valero shall continue to make the Minimum

Payments to the City as provided in clause (iv) of Article 9 until the actual termination date of this Agreement.

v. Termination; Repayment for Newly Dedicated Facilities

In the event that the City has constructed or provided any new or additional facilities after the Effective Date, for the sole purpose of providing Untreated Water to the Refinery under the terms of this Agreement (collectively, the “**Newly Dedicated Facilities**”), the costs of which are being repaid or are to be repaid by Valero under this Agreement, then in the event of termination of this Agreement pursuant to this Article 4, and notwithstanding anything to the contrary elsewhere in this Agreement, Valero shall repay to the City the costs of such Newly Dedicated Facilities upon termination of this Agreement. Repayment for the cost of any such Newly Dedicated Facilities shall be made pursuant to a repayment schedule, a copy of which shall be either attached to this Agreement and made a part thereof at a later date or otherwise specifically incorporated by reference (the “**Repayment Schedule**”). Any such Repayment Schedule is subject to the prior written approval of both Parties. The repayment period provided for under the Repayment Schedule shall not extend beyond January 31, 2030, unless otherwise agreed to by the Parties.

**5. SALE OF UNTREATED WATER.**

i. Sale and Purchase; Restriction on Resale

The City agrees to sell and deliver to Valero, and Valero agrees to purchase and take delivery from the City, such quantities of Untreated Water as provided for under Article 7 for industrial use exclusively at the Refinery. Before making any use of such water provided by the City at or within the Refinery for any reason or purpose whatsoever, Valero shall not resell, exchange, or otherwise transfer the Untreated Water supplied by the City hereunder other than as provided herein.

ii. No Charge for Discharge, Reuse, or Resale.

Following use of any such Untreated Water at or within the Refinery, Valero may freely discharge, reuse, resell, exchange or otherwise transfer the Untreated Water to any other Person. The City will not charge Valero for Valero’s discharge, reuse, resale, exchange or other transfer of Untreated Water pursuant to this clause ii, unless Valero makes use of any facilities owned by the City in conjunction with such discharge, reuse, resale, exchange or other transfer. In the event that Valero desires to make use of any facilities owned by the City in conjunction with such discharge, reuse, resale, exchange or other transfer, Valero shall request permission from the City for such use, and if the City in its sole discretion agrees to permit such use, the Parties will negotiate a rate and other conditions for the use of the City’s facilities, and the agreed to rate and conditions shall be incorporated into this Agreement without otherwise modifying this Agreement unless the Parties so agree.

**6. DELIVERY OF UNTREATED WATER.**

i. Point of Delivery

The City will deliver all Untreated Water that is required to be supplied under this Agreement to Valero by pipeline at the Interconnection (the “**Point of Delivery**”), which has the following GPS coordinates: 38°04’44.34”N, 122°08’20.21”W. Valero will accept delivery of all Untreated Water from City at this location. If either Party desires additional points of delivery or a different point of delivery, they may request an additional or different point of delivery, provided that all expenses associated with the additional or changed of point of delivery will be borne by the requesting Party.

ii. Interconnection and Risk of Loss

The City shall, provide, operate, maintain, repair, and replace all of the equipment and facilities necessary in order to deliver Untreated Water to Valero pursuant to this Agreement, up to the Point of Delivery, subject to Valero’s payment obligations under this agreement. Valero shall, at its sole cost, risk, and expense, provide, operate, maintain, repair, and replace all of the equipment and facilities necessary in order to take delivery of the Untreated Water at the Point of Delivery. Valero’s facilities shall include such pipes, valves, meters, and other necessary facilities that will be reasonably specified by the City and any other facilities required by Valero.

iii. Rate of Flow

The City will use its best efforts to deliver all Untreated Water to Valero at a rate that is within the range of 2,100 GPM to 4,200 GPM. The City will also use its best efforts to deliver a flow of water to Valero at higher flow rates in times of emergency and lower flow rates during times of shutdown for scheduled or unscheduled maintenance. If, from time to time, notwithstanding the City’s best efforts to deliver water in such circumstances, the rate of flow is outside of this range, the City shall not be liable for any such change.

iv. Water Pressure

The City will use its best efforts to deliver all Untreated Water to Valero at the Point of Delivery at a pressure of approximately 10 pounds per square inch. If, from time to time, the pressure is other than 10 pounds per square inch notwithstanding the City’s best efforts in this regard, the City shall not be liable for such change in the pressure of water.

v. No Dedication of Public Use

Nothing in this Agreement, nor the connection by Valero of its water lines and facilities to Benicia’s distribution mains or the taking by Valero of any other action pursuant to this Agreement, shall be construed as a dedication by Valero to or for the public use of any of its water facilities, including any of the Refinery’s Water System.

## 7. QUANTITY OF UNTREATED WATER.

i. Demand Quantity; Annual Delivery Schedule

The City shall deliver to Valero the amount of Untreated Water demanded by Valero, up to a maximum of 1,890.8 million gallons per year (the “**Maximum Demand Quantity**”). Valero will schedule a minimum of 1,160 million gallons of Untreated Water per year (the “**Base Supply Quantity**”).

ii. Daily and Annual Delivery Quantities

The City shall deliver to Valero the amount of Untreated Water scheduled by Valero, in approximately equal, daily amounts, based upon Valero’s projected annual demand, up to the Maximum Demand Quantity. As of the Effective Date, Valero’s average usage of Untreated Water at the Refinery is between 4.2 MGD and 4.5 MGD.

iii. Changes to Daily or Annual Delivery or Base Supply Quantities

Valero shall give at least 90 days notice to the City in the event Valero desires to schedule water deliveries, for a period of 45 days or more, of either less than the Base Supply Quantity or in excess of the Maximum Demand Quantity. The City shall determine, in its sole discretion, whether it will provide Valero with water deliveries of less than the Base Supply Quantity or in excess of the Maximum Demand Quantity. For purposes of determining whether Valero must notify the City of the specified increase or decrease in its scheduled water deliveries, the Maximum Demand Quantity or the Base Supply Quantity will be the amount of water prorated over that 45-day period. Valero shall provide the City with a minimum of two years notice in the event that Valero desires to decrease its Base Supply Quantity by more than fifteen percent (15%) for a one-year period or longer.

## 8. QUALITY OF UNTREATED WATER.

The City will provide Untreated Water to Valero at the Point of Delivery. The City provides no assurance regarding the quality of any such water to be delivered to Valero at the Point of Delivery pursuant to this Agreement. However, the City will not intentionally take action to decrease the quality of water that it delivers to Valero and will use reasonable efforts to supply water of sufficient quality for Valero’s needs. Nevertheless, the Parties recognize that the City will be receiving water from various sources, including from sources that may be susceptible to degraded water quality, and that the quality of water will vary depending upon the quality of water received from the various sources and the quality resulting from the commingling of these various sources. The City will have no liability to Valero for the quality of any Untreated Water delivered by the City to Valero at the Point of Delivery.

## 9. CHARGES FOR UNTREATED WATER.

i. Billing and Payment

The City will bill Valero on a monthly basis for any amount due for the provision of Untreated Water pursuant to this Agreement. Other Expenses or costs agreed to by the Parties will be billed for on an as appropriate basis consistent with the City’s standard procedures. Valero shall pay such charges within fifteen days of the date of the applicable invoice. Valero

may request supporting documentation for any invoice, which documentation shall be provided by the City as promptly as reasonably possible. However, if Valero does request supporting documentation, it shall nevertheless make timely payment of any invoice. All payments to the City shall be by electronic transfer of federal funds to the bank and bank account set forth on each invoice.

ii. Monthly Charges and Initial Monthly Rate

Valero agrees to pay the City a rate that enables the City to recover its cost of supplying Untreated Water to the Point of Delivery as set forth herein. The City's cost of service includes those costs for operation and maintenance, capital outlays and transfers, internal service charges, return on rate base, and operating reserve, as described in the attached Exhibit A. The rate structure shall consist of both (a) a fixed monthly service charge, and (b) a separate variable (volume) charge, with two volume rate tiers, based on monthly metered water usage, as described further in the attached Exhibit A.

Applying the calculation method described in Exhibit A, as of the Effective Date, the initial monthly rate chargeable to Valero for all Untreated Water delivered by the City to the Point of Delivery in accordance with the terms of this Agreement shall be:

$$\$34,626 + \$343.62 / \text{mg (up to 107.6 mg)} \times \text{MGD} \times \text{days} +$$

$$\$542.40 / \text{mg (in excess of 107.6 mg)} \times \text{MGD} \times \text{days}$$

iii. Rate Adjustments

The rate determined for Valero pursuant to this Agreement will be adjusted by the City biannually to be effective July 1st pursuant to its then current budget-setting process in accordance with the calculation method described in Exhibit A, which is based on the Cost model established in the Cost of Service Study prepared by Bartle Wells Associates dated January 12, 2009. The first rate adjustment under this Agreement will be implemented on July 1, 2011. Rates adjusted consistent with the calculation method pursuant to the then current bi-annual budget-setting process will not require amendment to this Agreement. Modifications to the calculation methodology described in Exhibit A will require an amendment to this Agreement. In the event a change to the budget setting process from the process in effect as of the date of this Agreement has the effect of amending Valero's payment obligations under this Agreement, then this Agreement will be amended such that Valero's payment obligation will not increase what it would have been without the change to the budget setting process.

iv. Minimum Annual Charges; Minimum Monthly Payment

Notwithstanding the payment method pursuant to clause (i), if Valero's demand is less than the Base Supply Quantity, then Valero shall, on an annual basis, pay the City a minimum annual charge ("**Minimum Annual Charges**"). The Minimum Annual Charge shall be an amount equivalent to the charge for the Base Supply Quantity. Such amount shall be billed on a monthly basis, with 1/12 of such Minimum Annual Charges due each month (the "**Minimum Monthly Payment**"). Based on the Initiation Rate Calculation set forth in Exhibit A, the initial Minimum Monthly Payment shall be \$[REDACTED]. In the event that the charges for the total amount

of Untreated Water delivered to Valero calculated pursuant to clause (ii) during any given calendar month exceeds the Minimum Monthly Payment, Valero shall make a payment equivalent to the greater amount commencing with the first payment that is due on or about the Effective Date.

v. Reduction in Minimum Annual Charges

In the event that Valero schedules a quantity of water below the Base Supply Quantity pursuant to Article 7 clause (iii) or gives notice that it will terminate the Agreement pursuant to Article 4 clause (ii), the Minimum Annual Charges in the next year and each subsequent year following such event shall be the greater of (a) actual usage or (b) 85 percent of the immediately prior year's ~~Minimum Annual Charges~~ actual charges, provided that Valero's usage in any subsequent year is below the Base Supply Quantity described in Article 7 clause (i).

vi. Disputed Payment

Valero may dispute, in good faith, the amount of any such invoice received under the terms of this Agreement for a period of sixty days from the date of the invoice. After sixty days any such invoice that is not timely disputed by Valero is deemed correct unless determined by the City to be incorrect. The City shall have up to ninety days from the date of the invoice to determine whether an invoice is correct, after which time the invoice shall be deemed correct. Regardless of the nature of the dispute, pursuant to clause (i), Valero shall timely pay to the City all amounts set forth in the invoice. If Valero disputes any part of the invoice it shall set forth the nature of its dispute and the amount under dispute in writing to the City within fifteen days of the date of Valero's notification to the City that Valero disputes the invoice, if Valero has determined the amount in dispute, or if Valero has not determined the amount in dispute, then as soon thereafter as possible, but in any case no later than sixty days from the date of the invoice. Valero and the City agree to begin discussions to settle any amount in dispute within ten days of notification by one Party to the other Party of such dispute. Any dispute that remains unresolved after thirty days from a Party's notification pursuant to this clause (vi) shall be resolved pursuant to Article 22. If, as a result of the resolution of a dispute it is determined that Valero owes money to the City and Valero fails to pay any disputed amount within ten days after the date on which the Parties have finally resolved or settled such amount or payment of such disputed amount has been finally adjudicated or otherwise resolved, whichever occurs first, the City, in addition to any other remedies that it may have, may suspend service under this Agreement. No payment by Valero of the amount of a disputed invoice shall prejudice the right of Valero to claim an adjustment of the disputed invoice so long as such invoice is disputed in accordance with the terms of this clause (vi).

vii. Late Payment; Penalties

All charges payable by Valero under this Agreement shall be subject to penalties for late payment in accordance with penalty provisions applicable to water sales generally, as now or hereafter established by Law and enforced by the City.

## 10. METERING.

The City shall install, operate, maintain, repair, and replace metering equipment in order to measure the volume of Untreated Water being delivered by the City to the Point of Delivery. All such metering equipment, including any additions, alterations, replacements, or extensions thereof or thereto (collectively, the “**Metering Equipment**”), shall remain the property of the City. Throughout the Term, the volume of Untreated Water delivered to Valero pursuant to this Agreement shall be measured by the Metering Equipment. The applicable meter shall be read and maintained by City consistent with the applicable industry standards. The Metering Equipment will be tested periodically by the City (but not less often than once per calendar year throughout the Term) and at such additional times as Valero may request, to assure its continuing accuracy and conformance to the standards of measurement and service consistent with the most current, applicable industry standards. In cases where testing is being conducted at Valero’s request, then such testing shall be conducted pursuant to the terms of the City’s Municipal Code, Section 13.20.060.

Representatives of Valero may, at Valero’s election, be present during the conduct of all tests of Metering Equipment. The City shall use reasonable efforts in order to notify Valero about each such test, in writing, at least ten days before each test is conducted. All Metering Equipment found to be inaccurate shall be adjusted as soon as practicable by the City.

## 11. SUPPLY INTERRUPTIONS.

### i. Supply Interruption

The City will use reasonable efforts in order to avoid, prevent, or stop any act(s) or omission(s) by the City or its agents that would cause a supply interruption of any Untreated Water to Valero at the Point of Delivery, except for any interruption that is reasonably required by the City for the routine operation, maintenance, repair, or replacement to any portion of the City’s Water System that delivers Untreated Water to the Point of Delivery or the Metering Equipment. To the extent practical, the City will provide Valero with as much advance notice, by telephone or electronic communication of any such scheduled outages.

### ii. No Guarantee

The City is not guaranteeing or providing assurance that there will not be any supply interruption of any Untreated Water as provided in this Agreement due to any cause beyond its control.

### iii. Limited Liability

The City will have no liability for any supply interruption of Untreated Water under the terms of this Agreement.

## 12. SHORTAGE OF SUPPLY.

### i. Shortages of Untreated Water

The City will use reasonable means to attempt to avoid shortages in the supply of Untreated Water delivered to Valero hereunder. To the extent practical, the City will rely on its multiple sources of water to supply Valero with Untreated Water.

ii. Prioritization of Supply

The City is under no obligation to augment its supplies to meet Valero's scheduled demand if to do so would cause adverse public health and safety impacts to the City's treated water customers.

iii. No Liability for Shortage of Supply

If a shortage of Untreated Water under the terms of this Agreement does occur during any Contract Year, the City will have no liability for any such shortage.

**13. LAKE HERMAN RESERVE.**

The City agrees to operate Lake Herman and to reserve in Lake Herman a minimum pool of 230 acre feet of water for use by the Refinery as a water supply for emergency needs.

**14. LONG-TERM WATER SUPPLY AND SUSTAINABILITY.**

i. Future Actions.

The Parties recognize that the City's water supplies are under ever increasing demands and subject to ever increasing external forces that may, in the long term, render such supplies produce Untreated water for Valero, and such other actions or projects as they may agree.

ii. Lake Berryessa Supplies

The City intends to purchase a supplemental supply of water from the Solano Irrigation District, which water is available from Lake Berryessa ("SID Water"). The SID Water is of superior quality and reliability than the City's water supplies from CDWR. Valero agrees that the City should purchase the SID Water. The initial cost of the SID Water is \$5 million with an

annual cost thereafter. The City is agreeable to making forty percent of the SID Water available to Valero provided that Valero pays forty percent of the initial cost, i.e., \$2 million. The balance of the water will be available to the City's other customers and the remaining initial cost of \$3 million will be paid by the City's other customers through the rate-setting process. The Parties further agree that within 45 days of the execution of this Agreement they will use good faith reasonable efforts to negotiate with the Good Neighbor Steering Committee to allow Valero to use the \$2 million committed to water conservation for the first year of the VIP Settlement agreement for the initial cost of the SID Water and to extend the time for payment of the full \$10 million dollars for water conservation projects for an additional year to 2014. If at the end of the 45 day period the Parties have been unable to get the Good Neighbor Steering Committee to agree to the proposed change and to amend the Planning Commission Resolution approving the VIP project, Valero shall pay to the City the \$2 million initial cost within 15 days of receipt of an invoice. The invoice will only be sent after the City is bound by contract to pay SID the \$5 million initial cost for the SID Water.

## **15. WATER CONSERVATION; ENERGY CONSERVATION.**

On July 10, 2008, Valero entered into a settlement agreement with the Good Neighbor Steering Committee that included a commitment to provide up to \$10,000,000 over a five-year period toward water conservation projects in the City of Benicia. In addition to this commitment, the Parties will use reasonable efforts in order to investigate actions that may be undertaken by Valero to implement water use best management practices at the Refinery. Such best management practices shall be those that are reasonably consistent with then-current and applicable industry standards, including those specified by the California Urban Water Conservation Council pursuant to the Memorandum of Understanding Regarding Urban Water Conservation in California, and shall not unreasonably increase Valero's costs of doing business. Any actions implemented shall be demonstrated to have a benefit to the reduction in the use of water, reduction in the discharge of water, improvement of water quality, or other environmentally beneficial results associated with the use of water. Further, the parties agree to jointly explore actions related to energy conservation associated with the use of water. The goal of such actions shall be to reduce the amount of energy consumed related to the use or supply of water.

## **16. GOOD NEIGHBOR AGREEMENT**

The Good Neighbor Agreement, dated September 5, 2000, is hereby satisfied and superseded by this Agreement with respect to those terms and conditions of the Good Neighbor Agreement that pertain to the supply of Untreated Water from the City to Valero. Specifically, Section K of the Good Neighbor Agreement is deemed satisfied and is therefore no longer in force or effect.

## **17. COOPERATION.**

Subject to the terms and conditions of this Agreement, the Parties shall each use reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all

things necessary, proper, and advisable under applicable law to consummate and make effective the transactions contemplated by this Agreement. Neither of the Parties shall take, nor fail to take, any action that reasonably would be expected to prevent or materially impede, interfere with, or delay the actions contemplated by this Agreement, without the prior written consent of the other Party. From time to time after the date hereof, and without further consideration, the Parties shall, each at its own expense, execute and deliver such documents, and provide such information, to the other Party as such Party may reasonably request, in order to accomplish and consummate the transactions contemplated by, and perform their respective obligations under, this Agreement. Nothing herein shall obligate a Party to provide information that is confidential, privileged or proprietary.

#### **18. TIME OF THE ESSENCE.**

Time is of the essence in all aspects of this Agreement, except as otherwise specified, and each Party shall act expeditiously to effectuate its responsibilities as set forth herein.

#### **19. NOTICES.**

Unless this Agreement specifically requires otherwise, any notice, demand, or request provided for in this Agreement, or served, given, or made in connection with it, shall be in writing and shall be deemed effective and properly served, given, or made if (i) delivered in person to the designated recipient, or (ii) sent by (a) reputable, overnight express delivery service, (b) United States certified or registered mail (postage prepaid), return receipt requested, or (c) fax, to the appropriate individual(s) set forth below, or, if applicable, to their successor. Routine communications between the Parties are not governed by this Notice provision and may occur through any normal or convenient means, including by telephone and email.

##### **To the City:**

City Manager  
City Hall  
250 East L Street  
Benicia, CA 94510  
If by facsimile: (707) 747-8120

##### **To Valero:**

Valero Refining Company-  
California  
3400 East 2<sup>nd</sup> Street  
Benicia, CA 94510-1097  
Attn: Vice President and General  
Manager  
If by facsimile: (707)

## 20. DEFAULT.

### i. Termination for Material Default

Either Party shall have the right to terminate this Agreement for material default by the other Party, if:

a. Such default shall have continued for a period of thirty days after written notice of such default or alleged default and an opportunity to cure in accordance with Article 21, below, has been given by the Party claiming default to the other Party. Such notice shall specify the nature of such default, the onset of such default, and the remedy requested by the claiming Party to remedy such default, and

b. The defaulting Party is not at the time of such termination complying with or performing all of the covenants and conditions of this Agreement on its part to be observed and performed; provided that, if the defaulting Party is not complying with or performing all of the covenants and conditions of this Agreement, that such failure to so comply or perform is not due to a cause beyond its control, including a legal mandate imposed upon it on an involuntary basis.

### ii. Right of Termination; Remedy of Last Resort

Termination shall be a remedy of last resort if and when either Party is in material default, or allegedly in material default, under the terms of this Agreement, and all other remedies shall be reasonably exhausted prior to the non-defaulting Party having the right to seek and/or invoke such right of termination provided for under this Article 20.

## 21. OPPORTUNITY TO CURE.

If there has been a material default or breach by a Party (or an alleged material default or breach) in the due and timely performance of any of such Party's covenants and agreements contained in this Agreement, and such default or breach is not cured either (i) within ten days after notice with respect to any undisputed payment obligations, or (ii) within thirty days after notice in all other cases; provided, however, no right of termination shall arise hereunder if such default or breach is not able to be cured in such thirty-day period, and the defaulting (or allegedly defaulting) Party is both diligently and in good faith taking all reasonable steps or measures in order to cure the default or breach in such thirty-day period and shall have cured the default or breach within ninety days of the notice from the other Party thereof, then the Party providing notice of material default or breach may terminate this Agreement at any time within thirty days following failure by the defaulting or breaching Party to cure said material default or breach. If the Party providing notice does not terminate this Agreement within the applicable thirty-day period, it shall have been deemed to have waived the right to terminate, but may pursue any other remedy available to it.

## 22. DISPUTE RESOLUTION.

### i. Dispute Resolution Process

In the event of a dispute between the Parties, the disputing Party shall notify the other Party in writing of the existence of a dispute within thirty days from the time the disputing Party reasonably determines a dispute exists. Within ten business days of notification of a dispute, the disputing Party shall provide the other Party with a written brief detailing the dispute, facts supporting the disputing Party's contentions, and any other information that may be relevant to the dispute. The other Party shall have ten additional business days within which to respond in writing to the brief submitted by the disputing Party. Within ten business days after receipt of the last brief by the disputing Parties, the City Manager and the General Manager of the Refinery ("Management Group") shall meet in an effort to resolve the dispute. If the first meeting does not result in resolution of the dispute, then within twenty days after receipt of the last brief by the disputing Parties the Management Group shall meet a second time in an effort to resolve the dispute. If, after such Management Group meetings, the dispute is not completely resolved, either Party may seek relief in a court of competent jurisdiction as provided for in this Agreement. The substance of any discussion conducted between the Parties during any such dispute resolution process is not admissible in any action filed to enforce or seek other remedy related to or arising out of this Agreement.

ii. Statute of Limitation; No Waiver

The pursuit of dispute resolution set forth in clause (i) of this Article 22 will not relieve the disputing Party of any statute of limitations. Except as otherwise provided herein, no defenses any Party may have are waived by virtue of the exhaustion of remedies required herein.

### 23. INDEMNIFICATION.

Each Party (the "**Indemnifying Party**") shall indemnify, defend (upon the other Party's request), and hold harmless the other Party, its Affiliates, and each of their respective officers, directors, employees, attorneys, agents, and successors and assigns (collectively, the "**Indemnified Parties**"), from and against any and all damages, claims, losses, liabilities, obligations, costs, and expenses, including reasonable legal, accounting, and other expenses, and the costs and expenses of any and all actions, suits, proceedings, demands, assessments, judgments, settlements, and compromises (collectively, the "**Losses**"), which result from or arise out of (i) any material, uncured breach, default, or violation by the Indemnifying Party of any of its respective duties or obligations that are set forth under this Agreement, or (ii) any third party claim which is brought by or on behalf of any Person that is not Affiliated with any of the Indemnified Parties and arises out of the active or passive negligence, gross negligence, or intentional misconduct of the Indemnifying Party.

### 24. FORCE MAJEURE.

i. No Default or Breach of Agreement

A Party shall not be considered to be in default in the performance of any of its obligations under this Agreement to the extent that the failure or delay of its performance is due to a Force Majeure Event, and the non-affected Party shall be excused from its corresponding performance obligation(s) to the extent due to the affected Party's failure or delay of

performance which is caused by such event. For greater certainty, none of the following shall constitute a Force Majeure Event under the terms of this Agreement:

- a. a lack of financial resources or available funds or similar financial predicament, unless the financial predicament is such that it has the practical effect of preventing the City from being able to provide Untreated Water to Valero;
  - b. the availability of a more attractive water supply market;
  - c. the City's inability to economically supply and deliver any quantity of Untreated Water, unless such inability may be overcome by the payment of funds from Valero to the City; or
  - d. Valero's inability to economically receive any quantity of Untreated Water.
- ii. Notice of Force Majeure

Within a reasonable time after the occurrence of an event the affected Party believes is a Force Majeure Event, but not to exceed fifteen days, the Party desiring to invoke force majeure as an excuse for delay in its performance of, or failure to perform, any of its respective obligations hereunder (the "**Declaring Party**"), shall provide the other Party with written notice reasonably describing the occurrence giving rise to the Force Majeure Event, including the expected duration and effect of such Force Majeure Event on the Declaring Party's ability to perform or continue performing such obligation(s). Failure to provide any such notice as provided for herein constitutes a waiver of a claim of a Force Majeure Event. Within ten business days, unless otherwise agreed by the Parties, after any such notice has been provided, the Parties shall meet to discuss the basis and terms upon which the arrangements set out in this Agreement shall be continued, taking into account the effects of such Force Majeure Event.

iii. Scope/Duration of Force Majeure Event; Mitigation Efforts; Extension of Term

The suspension of performance by the Declaring Party due to a claim of force majeure under this Article 24 must be of no greater scope and of no longer duration than is required by the Force Majeure Event. Each Party suffering a Force Majeure Event in connection with this Agreement shall take, or cause to be taken, such reasonable action as may be necessary to void, or nullify, or otherwise to mitigate, in all material respects, the effects of such Force Majeure Event. The Parties shall take all reasonable steps to ensure resumption of normal performance under this Agreement after the cessation of any Force Majeure Event. Notwithstanding the foregoing, nothing contained herein shall be construed to require a Declaring Party to settle any strike or labor dispute in which it may be involved.

## **25. NO CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES.**

REGARDLESS OF THE THEORY OF LIABILITY (INCLUDING TORT AND CONTRACT LAW) OR BASIS FOR RECOVERY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER CONSEQUENTIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, DIRECT LOSSES, OR INDIRECT LOSSES OR DAMAGES UNDER, IN RESPECT OF, OR IN CONNECTION WITH THIS AGREEMENT OR FOR ANY BREACH OR FAILURE OF PERFORMANCE RELATED HERETO HOWSOEVER CAUSED.

## **26. REMEDIES.**

The Parties understand and agree that the subject matter of this Agreement is unique, and for that reason, among others, the Parties will be irreparably damaged in the event that this Agreement is not specifically enforced. Accordingly, in the event of any breach or material default hereof by a Party, each non-breaching or non-defaulting Party shall have as their sole remedy, the right to demand and have specific performance of this Agreement. Such specific performance shall include the right to receive payment of sums owed and interest or penalties thereon, as provided in this Agreement. Unless otherwise provided for herein, neither Party shall be liable to the other for monetary damages of any nature or kind.

## **27. CHOICE OF LAWS.**

This Agreement shall be governed by, and construed, interpreted, and enforced in accordance with the substantive Law of the State of California, except to the extent such California Laws may be preempted by Laws of the United States.

## **28. JURISDICTION AND VENUE.**

Any disputes concerning, relating to, or arising out of this Agreement are within the jurisdiction of the state courts of the State of California, unless the matter involves a question of action or interpretation by a federal agency. With respect to any proceeding between the Parties, the Parties submit to the jurisdiction of the courts of California with venue proper only in Solano County, California, and the Parties waive any objections they may have with respect to venue. In the event such court determines that the subject matter of the proceeding does not fall within the statutory jurisdiction of such state courts, then the dispute shall be resolved by judicial proceedings in U.S. District Court with venue proper in Sacramento, CA.

## **29. SEVERABILITY.**

If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future Law, and if the rights or obligations of any Party hereto under this Agreement shall not be materially and adversely affected thereby, (i) said provision will be fully severable, (ii) disagreements shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never been comprised a part hereof, (iii) the remaining provisions of this Agreement shall remain in full force and effect and will not be affected by the illegal, invalid

or unenforceable provision or by its severance herefrom, and (iv) in lieu of such illegal, invalid or unenforceable provision, the Parties shall use best efforts to add as a part of this Agreement a legal, valid and enforceable provision as similar in terms as such illegal, invalid or unenforceable provision.

### **30. ASSIGNMENTS AND TRANSFERS.**

#### **i. Restrictions on Assignments and Transfers**

Neither this Agreement nor any right, interest, or obligation hereunder may be assigned, sold, transferred, or conveyed by either Party without the prior written consent of the other, which other Party may withhold its consent in its sole discretion, and any attempted assignment not in compliance therewith shall be void, except the following assignments and transfers which shall not require such consent:

- (1) Assignments or transfers that occur by operation of Law;
- (2) Assignments or transfers that occur by virtue of either of the Parties ceasing to exist in its entirety or.
- (3) Assignment and transfers by a Party to one of its Affiliates.

Assignments and transfers shall not relieve either of the Parties of any obligation hereunder which was incurred or deemed to have occurred prior to the effective date of such assignment or transfer, unless and except to the extent agreed in writing by the other Party.

### **31. MODIFICATIONS MUST BE IN WRITING.**

No provisions hereof may be amended or modified in any manner whatsoever except by an agreement in writing signed by duly authorized representatives of each of the Parties.

### **32. WAIVER.**

Except as otherwise provided herein, no provision of this Agreement may be waived except in writing. No failure by any Party to exercise, and no delay in exercising, short of the statutory period, any right, power, or remedy under this Agreement shall operate as a waiver thereof. Any waiver at any time by a Party of its right with respect to a default under this Agreement, or with respect to any other matter arising in connection therewith, shall not be deemed a waiver with respect to any subsequent default or matter.

### **33. NO THIRD PARTY BENEFICIARIES.**

None of the promises, rights, or obligations contained in this Agreement shall inure to the benefit of any Person who or which is not a party to this Agreement; and no action may be commenced or prosecuted against any Party by any third party claiming to be a third party beneficiary of this Agreement or the transactions contemplated hereby.

**34. WAIVER OF DEFENSES.**

The Parties release each other from any and all claims related to the formation and negotiation of this Agreement, including reformation, rescission, mistake of fact, or mistake of Law.

**35. AGREEMENT BINDING ON HEIRS AND ASSIGNS.**

The terms, covenants and conditions hereof shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, and assigns of the respective Parties.

**36. NO RELIANCE.**

Each Party acknowledges that entering into this Agreement, it has not relied on any statement, representation, or promise of the other Party or any other person or entity, except as expressly stated in this Agreement.

**37. INDEPENDENT COUNSEL.**

The Parties acknowledge that they have been represented by legal counsel in connection with this Agreement, they fully understand the terms of this Agreement, and they voluntarily agree to those terms for the purposes of making and entering into this Agreement.

**38. EXPENSES OF THE PARTIES.**

Except as otherwise provided herein, each Party shall pay its own legal fees and other costs incurred in connection with the preparation and negotiation of this Agreement.

**39. ATTORNEYS' FEES.**

If any Party brings suit or other legal action (including dispute resolution or arbitration) to interpret, compel performance of, or to recover for breach of any term or condition herein contained, neither Party shall be entitled to collect attorneys' fees or costs which may result from said suit or legal action.

**40. ENTIRE AGREEMENT.**

This Agreement, along with each attachment, exhibit, or schedule which is attached hereto and/or specifically incorporated by reference herein, constitutes the complete and entire expression of agreement between the Parties and supersedes all prior and contemporaneous agreements, contracts, offers, promises, representations, negotiations, discussions, and communications, whether written or oral, which may have been made in connection with the subject matter of this Agreement, unless otherwise provided herein. Any other such representations or claims are hereby disclaimed.

#### **41. COUNTERPARTS.**

This Agreement may be signed by the Parties in counterparts, each of which shall be fully effective as an original and together shall constitute one and the same agreement. The signature pages shall be combined in order to create a single document that is binding on all Parties. Facsimile signatures shall be binding; provided, however, upon request of either Party, the Parties shall endeavor to promptly exchange copies of this Agreement containing original signatures of their respective authorized representatives.

#### **42. AUTHORITY TO EXECUTE AGREEMENT.**

Each of the individuals signing this Agreement on behalf of a Party hereby represents and warrants such individual has the authority to execute this Agreement on behalf of such Party and that the governing body of such Party has duly approved the execution of this Agreement on behalf of that Party.

**BY SIGNATURE BELOW, THE PARTIES AGREE TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT.**

Dated: \_\_\_\_\_, 2009

Dated: \_\_\_\_\_, 2009

City of Benicia

Valero Refining Company-California

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: Doug Comeau

Title: \_\_\_\_\_

Title: Vice President and General Manager

Attest: \_\_\_\_\_

Title: City Clerk

Approved as to form

By: \_\_\_\_\_

Printed Name: Heather McLaughlin

Title: City Attorney

## EXHIBIT A

### Methodology for Calculating Charges for Untreated Water and Initial Rate Calculation

[Including Initial Rate Calculation Spreadsheet (with appropriate explanatory footnotes)]

Pursuant to Article 9 of the Agreement, Valero will pay a rate that recovers the City's cost of supplying Untreated Water ("cost of service") to Valero as provided therein. The rate structure will consist of a fixed monthly service charge and a variable (volume) charge, with two volume rate tiers, based on monthly metered Untreated Water usage. The fixed monthly charge will consist of 1/12 (one-twelfth) of the annual cost of 50% of allocated fixed costs. The variable charge shall consist of the following components: (1) 100% of allocated variable costs and (2) 50% of allocated fixed costs. The variable charge shall be expressed in terms of a rate per million gallons (\$/mg) per tier multiplied by the quantity of water delivered in million gallons per day, multiplied by the number of days in the billing month.

The components of the City's cost of service to be recovered through the rate charged to Valero are expenditures for operation and maintenance, capital outlays, internal service charges, return on rate base, and operating reserve. A brief description of these components is provided below:

**Operation and Maintenance Expenses:** These expenditures cover the costs incurred to conduct, operate and maintain the water utility operations. Costs include salaries and benefits; training; uniforms; supplies; utilities; small hand tools; fittings and hardware; vehicle fuel and parts; instrument calibration; regulatory fees; and water purchases.

- Pursuant to the Methodology for Calculating Charges for Untreated Water, Valero's share of the cost for water purchases will be based on an average of City's actual water purchase costs for the previous five-years. Valero's allocation will be based on the previous five-year average of the actual percentage that Valero's water use bears to total water delivered to the City.

**Capital Outlays and Transfers:** Expenses for minor capital outlays include furniture for workstations; larger tools with a life cycle of at least 10 years; and computers, monitors, printers, and facsimile machines.

- Interfund Transfers – System and Equipment Replacement – the funds are set aside in a "sinking fund" to cover the cost of replacing old, worn facilities, equipment, and vehicles. These are non-capitalized, minor assets that are expensed.
- Interfund Transfer – Water Supply – the funds are set aside in a "sinking fund" for the purchase of additional untreated water supplies.
- Interfund Transfer – General Fund – covers the administrative and overhead expenses borne by the General Fund, specifically for the City Manager and City Attorney offices.

**Internal Service Fund (ISF) Charges:** ISF charges recover expenses borne by the General Fund.

- Administrative Service charge - pays Water Operations share of the salaries and benefits for staff of, and supplies and services for, the Finance Department, including Management Information Systems (MIS), and Human Resources Department; liability and property insurance, postage and freight; utility billing and audit services. The City's Finance Department determines this budget amount.
- Equipment Services charge – pays Water Operations share of the salaries, benefits and other direct costs of the Equipment Services Division. The budget amounts are based on a 3-year average of the actual equipment (fleet) service hours provided to the Water Operations division and apportioned on the Water Operations Division's percentage of total service hours against the proposed budget for the Equipment Services Division. The City's Public Works Maintenance Division determines this budget amount.
- Workers' Compensation Services charge – pays for Workers' Compensation monthly premium rates for staff paid from the Water Operations budget. The rates are based on employee classification. The City's Finance Department determines this budget amount.

**Return on Rate Base:** Recovers the cost of the City's past investments in major, long-term water assets. The components of the rate base are property, plant, and equipment, less construction in progress, less accumulated depreciation, plus working capital. The water facilities allocated to Valero represent the portion of the water system used to convey raw water to Valero. The resulting "rate base" is multiplied by a rate of return. The rate of return established in the Methodology for Calculating Charges for Untreated Water is the City's average of the previous five years' City portfolio earnings. The rate of return will be recalculated every five years, commencing in 2014. For the first five years of this Agreement the rate of return will be 4.5%, based upon the City's average of the previous five years' portfolio earnings.

Note: The City water utility's major infrastructure improvements are capitalized in accordance with the City's Capital Asset Policy. Since major assets are capitalized regardless of funding source, Valero will not be charged debt service.

**Operating Reserve Requirement:** City policy requires the apportionment of twenty percent of operating and maintenance expenses as an operating reserve.

## RATE CALCULATION SHEET

[Note: This rate calculation sheet is for exemplar purposes only. It reflects the applicable values at the time the Agreement was executed, but the Parties agree the values will change over time without constituting an amendment to the Agreement. The methodology will not change unless agreed to by the Parties.]

### Calculation

#### Base Fiscal Year – 2008/2009

	<b>Allocated</b>		
	<b>Total</b>	<b>Fixed</b>	<b>Variable</b>
<b>Operations and Maintenance</b>			
Salary and Wages	\$ 159,400	\$ 127,520	\$ 31,880
Benefits	\$ 62,900	\$ 50,320	\$ 12,580
Services and Supplies	\$ 109,987	\$ 87,990	\$ 21,997
Lake Herman Dam Utilities	\$ 700		\$ 700
Water Purchases	\$ 194,939	\$ 194,939	
<hr/>			
<b>Total O&amp;M Expenses</b>	\$ 527,926	\$ 460,769	\$ 67,157
<b>Capital Outlays and Transfers</b>	\$ 200,500	\$ 160,400	\$ 40,100
<b>Internal Service Fund Charges</b>	\$ 36,800	\$ 29,440	\$ 7,360
<b>Return on Rate Base</b>	\$ 130,412	\$ 108,242	\$ 22,170
<b>Operating Reserve</b>	\$ 105,585	\$ 84,468	\$ 21,117
<b>TOTAL REVENUE REQUIREMENT</b>	\$ 1,001,223	\$ 831,015	\$ 170,208
Amount to be collected through monthly service charge (50% of fixed cost allocation)		\$ 415,508	
Amount to be collected through monthly variable charge (50% of fixed cost allocation plus 100% of variable costs)		\$ 585,715	
<b>Monthly Service Charge</b>		\$ 34,626	

Variable Charge	
Estimated annual metered consumption for 2008-09	1,553 MG
Tier 1 = 107.6 per month x 12	1,291 MG
Tier 2 = > 107.6 per month x 12	262 MG
Peaking Factor	1.5785

**Monthly Volume Rates per Million Gallon (MG)**

<b>Tier 1</b>	<b>343.62</b>
<b>Tier 2</b>	<b>542.40</b>

**Return on Rate Base**

Projected for 2008/09

Property, plant, and equipment	\$ 67,806,225
Construction in progress	\$ (1,351,250)
Accumulated depreciation	\$ (32,430,028)
Working capital	\$ 649,000

Total Rate Base \$ 34,673,947

Allocated share 8.4%

**Total Allocated Rate Base \$ 2,898,045**

**Rate of Return 4.5%**

**Return on Rate Base \$ 130,412**  
**Base**

**AGENDA ITEM  
CITY COUNCIL MEETING: FEBRUARY 17, 2009  
ACTION ITEM**

**DATE** : February 5, 2009  
**TO** : City Council  
**FROM** : City Attorney   
**SUBJECT** : **CAMPAIGN DISCLOSURE ORDINANCE**

**RECOMMENDATION:**

Introduce the ordinance amending Chapter 1.40 (Disclosure in Candidate Elections) to include additional and more timely disclosure of contributions, expenditures and communications in candidate and ballot measure elections.

**EXECUTIVE SUMMARY:**

At the January 6, 2009 City Council meeting, the Council directed that an improved campaign disclosure ordinance be drafted and presented to the Council so that it could take effect prior to the November elections. This ordinance has been drafted with the assistance of Steve Churchwell and incorporates some of the comments from the public as well.

**STRATEGIC PLAN:**

Relevant Strategic Plan Goals and Strategies:

None.

**BUDGET INFORMATION:**

None.

**BACKGROUND:**

The attached draft ordinance incorporates many of the ideas from the Council and commentors, and builds on them. The ordinance would require anyone making independent expenditures of \$1,000 or more for or against a mayor or council candidate to file a supplemental independent expenditure report (Form 465) at the same time the candidates file their reports. In addition, if the independent expenditure is made in the 45 days before the election, notice would have to be given to the city clerk who would be required to post it on the City's website. The notice would have to disclose various details about the expenditures. See section 1.40.041 (B). A copy of any communication (i.e. any ad) resulting from the expenditure would have to be given to the city

clerk. The city clerk would have to notify all candidates in the race after receiving notice of the expenditures.

Campaign communications that claim to be independent of the candidates would have to state that the communication is not authorized by any candidate and also include the name of anyone contributing more than \$2,500 to the ad's funder in the past 6 months. The ordinance would specify the font size or length of time for a broadcast disclosure.

Ballot measure proponents and opponents would be subject to the same disclosure measures as noted above.

To aid in disclosure, the candidate receiving a contribution would have to obtain certain information about the contributor before depositing the contribution. This provision applies regardless of the size of the contribution. Campaign communications by candidates or committees would also have to disclose that they were paid for by the candidate or committee.

The city clerk and city attorney would be responsible for administering the ordinance. Violations of the ordinance would be enforced either criminally or civilly. In addition, if a candidate is convicted of a misdemeanor violation of the ordinance, the court would have to determine if the violation had a material effect on the election. If it did, the candidate would be removed from office.

This ordinance is separate and distinct from the proposed ballot measure that is circulating to enact campaign reform measures. That measure, if it qualifies for the ballot, would be decided at the November election.

Attachments:

- Draft Ordinance Redlined to Existing Chapter 1.40
- Form 465
- Comment from Norma Fox
- Comment from Jon Van Landschoot

**PROPOSED ORDINANCE**

CITY OF BENICIA

ORDINANCE NO. 09-\_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA AMENDING CHAPTER 1.40 (CAMPAIGN FINANCING OF CANDIDATE ELECTIONS) OF TITLE 1 (GENERAL PROVISIONS) OF THE BENICIA MUNICIPAL CODE**

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BENICIA DOES ORDAIN** as follows:

**Section 1.**

Chapter 1.40 (Campaign Financing of Candidate Elections) of Title 1 (General Provisions) of the Benicia Municipal Code is amended to read as follows:

**Chapter 1.40**  
**CAMPAIGN DISCLOSURE OF CONTRIBUTIONS AND EXPENDITURES**  
**IN CANDIDATE AND BALLOT MEASURE ELECTIONS**

**1.40.010** **Purpose.** This chapter is intended to supplement the Political Reform Act of 1974.

**1.40.020** **Definitions.** The definitions set forth in the Political Reform Act of 1974 as amended (Government Code Sections 82000 through 82055) shall govern the interpretation of this chapter, unless otherwise specified herein.

**1.40.030** **Additional campaign statements.**  
A. In addition to the campaign statements required to be filed pursuant to the Political Reform Act, commencing with Government Code Section 8100, as amended, candidates for mayor and city council, their controlled committees and committees primarily formed to support or oppose these candidates shall file an additional pre-election statement by 4:30 p.m. on the Wednesday immediately preceding the election. This statement shall have a closing date of the prior Sunday and shall cover activity and payments occurring from the closing date of the last report filed by the candidate or committee through and including that Sunday.

B. In addition to the campaign statements required to be filed pursuant to the Political Reform Act, commencing with Government Code Section 8100, as amended, candidates for mayor and city council, their controlled committees and committees primarily formed to support or oppose these candidates shall file a post-election statement by 4:30 p.m. on the Friday immediately following the election. This statement shall include all activity and payments occurring from the closing date of the last report filed by the candidate or committee through and including Election Day.

**1.40.040** **Supplemental independent expenditure disclosure reports in candidate elections.** Any person or committee making independent expenditures

totaling \$1,000 or more in a calendar year, supporting or opposing a candidate for mayor or city council, regardless of where or when it files its campaign reports under the Political Reform Act, the Federal Election Campaign Act, or any similar law, shall file a California Supplemental Independent Expenditure Report~~Pre-Election Campaign Statement (Form 465)~~ with the city clerk at the same time as the mayoral and city council candidates, covering the same period and disclosing the information required by that statement.

**1.40.041 Independent expenditures in 45 days preceding election.**

A. Disclosure of payments. Any person, including any committee, that makes or incurs independent expenditures of \$1,000 or more in support of or in opposition to any city measure or candidate for mayor or city council, in the 45 days before an election in which the measure or candidate appears on the ballot, shall notify the city clerk within 24 hours by personal delivery, fax or email each time one or more payments, which meet this threshold, are made.

B. Contents of notice.

1. The notice shall specify:

- a. Each candidate or measure supported or opposed by the expenditure;
- b. The amount spent to support or oppose each candidate or measure;
- c. Whether the candidate or measure was supported or opposed;
- d. The date and amount of each payment;
- e. A description of the type of communication for which the payment was made or incurred;
- f. The name and address of the person making the payment;

and

- g. The name and address of the payee.

2. The notice shall include a statement that the expenditure was not made at the behest of any candidate or ballot measure proponent who benefited from the expenditure.

3. The notice shall be signed under penalty of perjury by both a responsible officer and the treasurer of the committee making the expenditure.

C. Copy of communication. A copy of the printed mailing or advertisement, or a copy of the script of the call, transmission or advertisement, shall be provided to the city clerk at the same time as the notice.

D. Notification to candidates of expenditures. The city clerk will notify all candidates by phone, fax or e-mail in the affected race within one business day after receiving the notice of independent expenditures of \$1,000 or more. The notification will indicate the candidate who was supported or opposed by the expenditure and include a copy of the communication provided by the person or group making the expenditure.

E. Exemption for regularly published newsletters. For purposes of the notification required by subsection A, payments by an organization for its regularly published newsletter or periodical, if the circulation is limited to the organization's

E. Exemption for regularly published newsletters. For purposes of the notification required by subsection A, payments by an organization for its regularly published newsletter or periodical, if the circulation is limited to the organization's members, employees, shareholders, other affiliated individuals and those who request or purchase the publication, shall not be required to be reported.

F. Copies of communications — delivery to the city clerk and disclosure of communications. Any committee, including but not limited to a candidate controlled committee and an independent expenditure committee, that makes or incurs payments for 100 or more recorded telephone calls or any other forms of electronic or facsimile transmission of substantially similar content, or that makes or incurs expenditures of \$1,000 or more for a radio or television advertisement, in support of or opposition to any candidate for mayor or city council, shall send a copy of the script or recording used for each communication to the city clerk within 24 hours of the first time the calls, transmissions, or advertisements are made or aired.

**1.40.042 Additional requirements for campaign communications funded by independent expenditures.**

A. Campaign communications funded by an independent expenditure supporting or opposing city candidates shall include the phrase "Not authorized by a candidate," and shall also include the name of any contributor of \$2,500 or more made in the past six months to a committee funding the independent expenditure, in the phrase "Major Funding Provided By [Name of Contributor(s)]." Payments of \$2,500 or more that are earmarked for any other candidate or ballot measure outside of the city of Benicia need not be disclosed.

B. Campaign communications funded by an independent expenditure supporting or opposing city measures shall include the name of any contributor of \$2,500 or more made in the past six months to a committee funding the independent expenditure, in the phrase "Major Funding Provided by [Name of Contributor(s)]." Payments of \$2,500 or more that are earmarked for any other candidate or ballot measure outside of the city of Benicia need not be disclosed.

C. The disclosures required by this section shall be presented in a clear and conspicuous manner to give the reader, observer or listener adequate notice, as specified below:

1. For printed campaign communications that measure no more than 24 inches by 36 inches, all disclosure statements required by this section shall be printed using a typeface that is easily legible to an average reader or viewer, but is not less than 10-point type in contrasting color to the background on which it appears. For printed campaign communications larger than this size in area, all disclosure statements shall constitute at least five percent of the height of the material and shall be printed in contrasting color.

2. For video broadcasts including television, satellite and cable campaign communications, the information shall be both written and spoken either at the beginning or at the end of the communication, except that if the disclosure statement is written for at least five seconds of a broadcast of thirty seconds or less or ten seconds of a sixty second broadcast, a spoken disclosure statement is not required.

same speed and volume as the rest of the telephone call or radio advertisement at the beginning or end of the communication and shall last at least three seconds.

D. For purposes of this section, "campaign communication" means any of the following items:

1. More than 200 substantially similar pieces of campaign literature distributed within a calendar month, including but not limited to mailers, flyers, faxes, pamphlets, door hangers, e-mails, campaign buttons 10 inches in diameter or larger, and bumper stickers 60 square inches or larger;

2. Posters, yard or street signs, billboards, supergraphic signs and similar items;

3. Television, cable, satellite and radio broadcasts;

4. Newspaper, magazine, internet website banners and similar advertisements;

5. 200 or more substantially similar live or recorded telephone calls made within a calendar month.

E. For purposes of this section, "campaign communication" does not include: small promotional items such as pens, pencils, clothing, mugs, potholders, skywriting or other items on which the statement required by this section can not be reasonably printed or displayed in an easily legible typeface; communications paid for by a newspaper, radio station, television station or other recognized news medium; and communications from an organization to its members other than a communication from a political party to its members.

F. Campaign communications must be updated when a new person qualifies as a disclosable contributor or when the committee's name changes. Broadcast advertisement disclosures must be amended within five calendar days after a new person qualifies as a disclosable contributor or a committee's name changes. A committee shall be deemed to have complied with this section if the amended advertisement is mailed, containing a request that the advertisement immediately be replaced, to all affected broadcast stations by overnight mail no later than the fifth day. For printed campaign communications and other material, disclosure information must be amended to reflect accurate disclosure information every time an order to reproduce the communication is placed.

**1.40.050 Access to records.** All campaign reports required to be filed by any candidate or committee with the city clerk shall be scanned and stored in .pdf format. The reports shall be posted on the city's website no later than two working days after filing.

**1.40.060 Ballot measure finance disclosure.** Unless otherwise indicated, if a recall, referendum or initiative petition impacting city elected officials or city law is filed, the proponent shall be subject to the same provisions of this chapter as are applicable to candidates for elective city office, and any committee supporting or opposing the measure shall be subject to the same disclosure provisions as are applicable to committees making contributions or expenditures in connection with city candidate elections.

opposing the measure shall be subject to the same disclosure provisions as are applicable to committees making contributions or expenditures in connection with city candidate elections.

**1.40.070 Contributor occupation and employer.** No contribution shall be deposited into a campaign checking account of a candidate for mayor or city council unless the name, address, occupation and employer of the contributor are on file in the records of the recipient of the contribution.

**1.40.080 Campaign literature.** Each candidate for mayor or city council, and each committee making independent expenditures in a city election, who mails or otherwise distributes more than 200 substantially similar pieces of campaign literature, shall file a copy with the city clerk at the same time the literature is given to the post office or otherwise distributed. The literature shall be emailed to the city clerk in .pdf format or delivered in person. The city clerk shall post all such literature on its website within two business days of receipt.

**1.40.090 Recordkeeping.** Candidates for mayor and city council, and committee treasurers, shall maintain such detailed accounts, records, invoices and receipts as are necessary to prepare campaign statements and to comply with the Political Reform Act, the regulations of the Fair Political Practices Commission and this chapter.

**1.40.100 Disclaimers on campaign communications.** Any candidate or committee who mails or otherwise distributes more than 200 substantially similar pieces of campaign literature shall print, display or incorporate the following words anywhere within the communication: "Paid for by" immediately followed by the name, address and city of that candidate or committee. If the sender of a mass mailing is a controlled committee, the name of the person controlling the committee shall also be included. If an acronym is used to specify a committee name, the full name of any sponsoring organization of the committee shall be included in the campaign communication disclaimer required by this section.

**1.40.110 Duties of city clerk and city attorney.** The city clerk shall administer the provisions of this section. In addition to other duties required under this chapter, the clerk shall shall:

A. Report apparent violations of this section and applicable state law to the city attorney.

B. Conduct audits of reports and statements filed by candidates and committees supporting or opposing candidates for mayor and city council, as well as proponents and committees supporting or opposing city ballot measures. The city clerk may employ or contract with auditors when necessary to audit reports filed under this chapter.

C. The city attorney and city clerk may subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require

any provisions of this section is guilty of a misdemeanor. Any person who causes any other person to violate any provision of this section, or who aids and abets any other person in the violation of any provision of this section, shall be liable under the provisions of this section. Prosecution for violation of any provision of this chapter must be commenced within two years after the date on which the violation occurred.

B. Civil enforcement.

1. Any person who intentionally or negligently violates any provision of this section shall be liable in a civil action brought by the city attorney. Where no specific civil penalty is provided, a person may be liable for an amount up to two thousand dollars (\$2,000) for each violation.

2. Any person who intentionally or negligently makes or receives a contribution, or makes an expenditure, in violation of any provision of this section shall be liable in a civil action brought by the city attorney for an amount up to three times the amount of the unlawful contribution or expenditure.

3. If two or more persons are responsible for any violation, they shall be jointly and severally liable.

4. In determining the amount of liability under this subsection, the court may take into account any mitigating factors and any aggravating factors.

5. No civil action alleging a violation of this chapter shall commence more than two years after the date of the election for which the funds at issue were contributed or expended.

**1.40.130 Effect of violation on outcome of election.** If a candidate is convicted of a misdemeanor violation of any provision of this section, the court shall make a determination as to whether the violation had a material effect on the outcome of the election. If the court finds such a material effect, the candidate shall be removed from office, the office shall be deemed vacant and shall be filled as otherwise provided in section 2.04.020; and the person so convicted shall be ineligible to hold any elected city office for a period of five years after the date of such conviction.

**1.40.140 Verification.** All notices, reports and statements filed under this chapter shall be signed and verified by the filer under penalty of perjury. The person signing shall read, know and understand the contents of all such documents.

**1.40.150 Injunction.** The city attorney on behalf of the people of the city of Benicia may sue for injunctive relief to enjoin violations or threatened violations or to compel compliance with the provisions of this chapter.

\*\*\*\*\*

On motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_ the foregoing ordinance was introduced at a regular meeting of the City Council on the 17<sup>th</sup> day of February, 2009, and adopted at a regular meeting of the Council held on the day of \_\_\_\_\_, 2009 by the following vote:

Ayes:

Noes:

Absent:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

**FORM 465**

**IX-C-11**

# Supplemental Independent Expenditure Report



## Who Uses Form 465:

Officeholders, candidates, recipient committees, major donor committees, and independent expenditure committees that make independent expenditures totaling \$1,000 or more in a calendar year to support or oppose a **single** candidate, a **single** measure, or the qualification of a **single** measure.

*Form 465 is required to be filed in addition to any other preelection, semi-annual, or late independent expenditure report required to be filed.*

## “Independent Expenditure” Means:

An “independent expenditure” is an expenditure made in connection with a communication (e.g., a billboard, advertisement, mailing) that expressly advocates the nomination, election, or defeat of a clearly identified candidate, or the qualification, passage, or defeat of a clearly identified measure, or taken as a whole and in context, unambiguously urges a particular result in an election but which is not made to—or at the behest of—the affected candidate or committee.

## When to File:

File the Form 465 at the same time(s) the candidate or committee supported or opposed by the independent expenditure(s) is required to file.

## Where to File:

File the Form 465 as if your committee were primarily formed to support or oppose the candidate or measure identified in the communication.

**Example:** The California Tree Doctors PAC, a state general purpose committee, spends \$1,200 for a newspaper advertisement supporting a county ballot measure during the first preelection reporting period in connection with the county election. On the first preelection filing deadline, the PAC will file an original and one copy of the Form 465 with the clerk of the county holding the election, and two copies with the PAC’s county of domicile if different.

The PAC also will disclose the independent expenditure on its next regular campaign report (Form 450 or 460).

If the independent expenditure had been made during the last 16 days before the county election, the PAC would file a Form 496 (Late Independent Expenditure Report) within 24 hours of making the expenditure, and would file the Form 465 on the semi-annual filing deadline.

## Fast Facts:

- A separate Form 465 is required for each candidate or ballot measure identified in a communication, if \$1,000 or more was spent to support or oppose that particular candidate or measure.
- Form 465 is not required for any reporting period during which no independent expenditure has been made.
- Candidates: Form 465 is not required for expenditures made from your committee’s funds to promote your own election.

This form was prepared by the Fair Political Practices Commission (FPPC). For detailed information on campaign reporting requirements and the Information Practices Act of 1977, see the FPPC Campaign Disclosure Manual (available from your filing officer or the FPPC). Campaign filing deadlines, forms, and other informational materials are available on the FPPC website ([www.fppc.ca.gov](http://www.fppc.ca.gov).)

**Supplemental Independent Expenditure Report**  
(Government Code Section 84203.5)

SEE INSTRUCTIONS ON REVERSE

Type or print in ink.  
Amounts may be rounded to whole dollars.

SUPPLEMENTAL INDEPENDENT EXPENDITURE  
**CALIFORNIA FORM 465**

**Amendment** (Explain Below)

Page \_\_\_\_\_ of \_\_\_\_\_

For Official Use Only

Date Stamp

Report covers period from \_\_\_\_\_ through \_\_\_\_\_

Date of election if applicable: (Month, Day, Year)

**1. Committee/Filer Information**

I.D. NUMBER (if recipient committee)

**Treasurer** (if recipient committee)

NAME OF TREASURER

COMMITTEE/FILER'S NAME

STREET ADDRESS (NO P.O. BOX)

MAILING ADDRESS

CITY

STATE ZIP CODE

AREA CODE/PHONE

CITY

STATE ZIP CODE

AREA CODE/PHONE

OPTIONAL: FAX / E-MAIL ADDRESS

OPTIONAL: FAX / E-MAIL ADDRESS

**2. Name of Candidate or Measure Supported or Opposed**

NAME OF CANDIDATE

OFFICE SOUGHT OR HELD AND DISTRICT, IF APPLICABLE

NAME OF BALLOT MEASURE

BALLOT NO./LETTER JURISDICTION

CHECK ONE

SUPPORT

OPPOSE

SUPPORT

OPPOSE

**3. Independent Expenditures Made** Attach additional information on appropriately labeled continuation sheets.

DATE	NAME AND ADDRESS OF PAYEE	DESCRIPTION OF EXPENDITURE	AMOUNT	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)

**IX-C-13**

# Instructions for Supplemental Independent Expenditure Report

CALIFORNIA  
FORM **465**

## Period Covered by Report:

The "period covered" begins the day after the closing date of the most recent Form 465 filed related to the candidate or measure supported or opposed. If no previous Form 465 has been filed, the period begins on January 1 of the current calendar year. The period ends on the closing date for the current campaign statement being filed in connection with the election in which the candidate or measure is being voted upon.

## Date of Election:

If this statement is filed in connection with expenditures to support or oppose a candidate or measure being voted upon this year, enter the date of the election.

**Amendments:** If you are filing an amendment to a previously filed statement, give a brief explanation of the amendment. Be sure to enter the period covered of the statement you are amending.

## Committee/Filer Information:

Provide the full name, address, and telephone number of the committee or person filing this report. If the filer is a recipient committee, the identification number must be included. Please note on the form if the identification number has not yet been received from the Secretary of State's office.

If a single individual, a single entity, or a candidate is filing this statement, provide the filer's full name, street address, and telephone number where the filer can be reached during business hours. The name that the filer uses must be the name by which the filer is identified for other legal purposes or the name by which the filer is commonly known to the public.

If a recipient committee is filing this statement, provide the full name, address, and telephone number as stated on the Statement of Organization, Form 410, filed with the Secretary of State.

The treasurer must provide a permanent address and a telephone number where he/she can be reached during business hours.

## Name of Candidate or Measure:

Identify the candidate supported or opposed and the office sought or held (and district, if applicable), or the name of the ballot measure supported or opposed, its number or letter, and the jurisdiction in which the measure is being voted upon.

## Independent Expenditures Made:

For each independent expenditure of \$100 or more, provide the following:

### Date

Enter the date of each independent expenditure. An expenditure is made on the date payment was made, or the date the goods or services were received, whichever is earlier.

### Name and Address of Payee

Enter the full name, street address, city, state, and zip code of the payee or creditor. If the payee is different than the vendor (person providing goods and services), both must be fully identified.

### Description of Expenditure

Provide a description of the goods or services received for the expenditure.

### Amount

Enter the amount of the independent expenditure.

### Cumulative to Date - Calendar Year

Enter the cumulative amount of independent expenditures made during the calendar year on behalf of the candidate or measure.

# Supplemental Independent Expenditure Report

Type or print in ink.  
Amounts may be rounded to whole dollars.

SUPPLEMENTAL INDEPENDENT EXPENDITURE

Report covers period

from \_\_\_\_\_ through \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER \_\_\_\_\_

**CALIFORNIA 465 FORM**

I.D. NUMBER (if recipient com.) \_\_\_\_\_

## 4. Summary

- Total independent expenditures of \$100 or more made this period. (Part 3.) ..... \$ \_\_\_\_\_
- Total independent expenditures under \$100 made this period. (Not itemized.) ..... \$ \_\_\_\_\_
- Total independent expenditures made this period (Add Lines 1 + 2.) ..... **TOTAL** \$ \_\_\_\_\_

## 5. Filing Officers

Enter the name and address of each filing officer with whom the filer's most recent campaign statements (Form 450, 460 or 461) have been filed.

1) NAME OF FILING OFFICER \_\_\_\_\_

ADDRESS (NO. AND STREET) \_\_\_\_\_

CITY STATE ZIP CODE \_\_\_\_\_

2) NAME OF FILING OFFICER \_\_\_\_\_

ADDRESS (NO. AND STREET) \_\_\_\_\_

CITY STATE ZIP CODE \_\_\_\_\_

3) NAME OF FILING OFFICER \_\_\_\_\_

ADDRESS (NO. AND STREET) \_\_\_\_\_

CITY STATE ZIP CODE \_\_\_\_\_

4) NAME OF FILING OFFICER \_\_\_\_\_

ADDRESS (NO. AND STREET) \_\_\_\_\_

CITY STATE ZIP CODE \_\_\_\_\_

## 6. Verification

I have used all reasonable diligence in preparing and reviewing this statement and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on \_\_\_\_\_ DATE  
By \_\_\_\_\_ SIGNATURE OF FILER, TREASURER OR ASSISTANT TREASURER

Executed on \_\_\_\_\_ DATE  
By \_\_\_\_\_ SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROponent, OR RESPONSIBLE OFFICER OF SPONSOR

Executed on \_\_\_\_\_ DATE  
By \_\_\_\_\_ SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROponent

Executed on \_\_\_\_\_ DATE  
By \_\_\_\_\_ SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROponent

**IX-C-15**

**Instructions for  
Supplemental Independent  
Expenditure Report**

CALIFORNIA  
FORM **465**

**Summary:**

Summarize all independent expenditures as follows:

Line 1: Enter the total of all independent expenditures of \$100 or more made to support or oppose the candidate or measure this period (those expenditures itemized under Part 3).

Line 2: Enter the total of all independent expenditures under \$100 made to support or oppose the candidate or measure this period (not itemized).

Line 3: Add Lines 1 and 2 and enter the total on Line 3.

**Filing Officers:**

Enter the name and address of each filing officer with whom the filer of the report filed its most recent campaign statement (Form 450, 460, 461).

**Verification:**

A responsible officer of an entity or an entity filing jointly with any number of affiliates must sign the Form 465, or an attorney or a certified public accountant may sign on behalf of the entity or entities. A statement filed by an individual must be verified and signed by the individual.

A recipient committee's statement must be signed by the committee treasurer or the assistant treasurer named on the committee's Statement of Organization (Form 410). An officeholder, candidate, or state measure proponent who controls the committee must also sign the statement. If two or three officeholders, candidates, or proponents control the committee, each must sign the statement. If more than three control the committee, one may sign on behalf of the others.

Under certain circumstances, the responsible officer of a sponsoring organization must sign the statement.

**IX-C-16**

**COMMENT FROM NORMA FOX**

## **Diane Henry - Suggestions for draft ordinance on campaign finance disclosure**

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**From:** Norma Fox <normafox@hotmail.com>  
**To:** Heather McLaughlin <hmclaughlin@ci.benicia.ca.us>  
**Date:** 1/14/2009 11:06 PM  
**Subject:** Suggestions for draft ordinance on campaign finance disclosure

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Dear Heather,

Since you are requesting input from the community regarding the draft ordinance on campaign finance reporting and disclosure, I would like to propose adding the following requirements. These suggestions are all aimed at inhibiting the amount of contributions that are collected and reported after the election. Such post-election disclosures are far too late to be of use to the voter, and they can potentially be deliberately used as a way to circumvent the intent of the disclosure law and shield the visibility of certain donors from the voting public.

Thanks,  
 Norma Fox

1. Accrual basis Accounting (not Cost basis) is required of everyone, both the candidate-controlled committees and the independent committees. This means that costs must be recorded as incurred expenditures on their campaign reports at the time those expenditures are contracted, not at the time they are paid (which is often after the election).
2. The funds for incurred expenditures greater than \$300 must be on deposit in the bank account before expenditures are incurred. The identification of the donor must be on file in the records of the committee before making the deposit. (This applies to both candidate committees and independent committees)  
 (see Novato ordinance, part IV, sec. 21-18 )
3. There shall be a moratorium on contributions and loans during the last seven days before election, including election day itself. (see Santa Clara ord. and Mountain View ord.) (This is intended to ensure that the vast majority of pre-election contributions will be reported by the the last pre-election campaign report.)
4. Although there is no limit on the size of contributions received prior to the election, all POST-ELECTION contributions shall be \$200 or less per donor per calendar year. (This is intended to encourage all candidates, even those who take out large personal loans, to collect the vast majority of their contributions before the election.)

-----  
 P.S.

The following suggestion is not specifically about improving the timely disclosure of campaign contributions , but it's certainly related to the results of that disclosure, and it would certainly improve community trust in the impartiality of elected officials and bring an end to all the accusations and innuendo that the council members are so tired of hearing.

(Taken from the Pacific Grove ordinance, sec. 2.30.050)

### **Limitation Upon Exchange of Financial Advantages:**

#### **(a) Contribution Before a Governmental Decision:**

Each elected official shall recuse him or herself from a governmental decision which provides a Material Financial Effect to a contributor whose campaign contributions to the official's Candidate Committee relating to the official's

**IX-C-18**

current term of office accumulate to \$250 or more.

**(b) Contributions After a Governmental Decision:**

No person shall contribute and no person shall deposit a contribution to the official's Candidate Committee which accumulates to \$250 or more following his or her participation in making or otherwise influencing a governmental decision which provides a Material Financial Effect to the contributor not similarly provided to the general public or a large class of persons.

These provisions are preceded by the following Whereas statements:

WHEREAS, the City Council of the City of Pacific Grove desires that elected officials be held to a standard of conduct to which citizens can expect that the receipt of funds, campaign contributions and other monetary and non-monetary gifts do not influence the process of public decision-making or the disposition of public assets; and

WHEREAS, the City Council declares that there is a compelling interest to prevent potential and **perceived** corruptive influences of any campaign contributions on the decisions of public officials in the management of public assets and franchises, in the disposition of public funds, and in decisions that provide a material financial benefit to any individual or entity; and

WHEREAS, this Ordinance provides practical means and options to further promote campaign finance reform, provide for conflicts of interest, and enable compensation to the City of Pacific Grove for its costs of enforcement;

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**COMMENT FROM  
JON VAN LANDSCHOOT**

**Diane Henry - Fwd: Tom's proposed Election Ordinance Change**

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**From:** Heather McLaughlin  
**To:** Steve.churchwell@dlapiper.com  
**Date:** 1/15/2009 2:23 PM  
**Subject:** Fwd: Tom's proposed Election Ordinance Change

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One more request.

>>> Jon Van Landschoot <jonvanland@yahoo.com> 1/15/2009 1:46 PM >>>  
Hi Heather, ( owner of that neat car we would like a ride in someday )

I have listed some suggestions for the election ordinance.

Can you incorporate them in the changes you are making or is it too late ?

**Some suggestions :**

1. All contributions are to require the name of the contributor. In this way , we can track the cumulative money given to a candidate in a year's time.  
Also, this can track if minor family members are listed as contributors.
2. All money spent by a campaign shall have money in the campaigns acct. before said monies are spent. This is to include self loans.  
This will hopefully stop the post election money surge to pay off debt.
3. Any outside consultant( s ) bill shall have been paid off before the last filing date .  
Again, this will stop the after election flood of money.

Thanks a ton.

your chum,  
jon van

PS : GO A'S !! ( almost time for those guys to start pitching and hitting ! )

**IX-C-21**

**AGENDA ITEM**  
**CITY COUNCIL REGULAR MEETING: FEBRUARY 17, 2009**  
**ACTION ITEMS**

**DATE** : February 10, 2009  
**TO** : City Council  
**FROM** : Community Development Director  
**SUBJECT** : **BENICIA BUSINESS PARK APPLICATION**

**RECOMMENDATION:**

Adopt a resolution rescinding denial of the Benicia Business Park application, and direct staff to initiate a new review process, including issuing requests for proposals first for a project manager and next for a specific plan/environmental impact report preparer.

**EXECUTIVE SUMMARY:**

At its February 3 meeting, the Council directed staff to prepare a resolution to rescind the November 18, 2008 denial of the Benicia Business Park application. This action was taken following a December 3, 2008 council member request for reconsideration and a January 7 facilitated public workshop held to help determine whether a collaborative approach to planning the project with the applicant and the community is feasible. The action also was based on January 23 and February 3 letters from the applicant proposing project review steps, components and timeline. The applicant and Council members have reviewed a staff drafted resolution to rescind denial and have suggested additions. The primary remaining issue appears to be the composition and mission of the citizen advisory panel to oversee the project and make recommendations to Council.

**STRATEGIC PLAN:**

Relevant Strategic Plan Goals and Strategies:

- Goal 1.00 Protect Community and Environmental Health and Safety
- Goal 2.00 Strengthen the Economy
  - Strategy 2.30 Facilitate and encourage sustainable development
- Goal 4.00 Preserve and Enhance City Assets and Infrastructure
  - Strategy 4.10 Provide a balanced street system to serve automobiles, pedestrians, bicycles and transit
  - Strategy 4.40 Improve and maintain facilities and infrastructure
- Goal 5.00 Enhance Community Appearance
  - Strategy 5.10 Promote quality design in new construction and remodeling

A project acceptable to the community could increase the City's tax base, provide jobs, and develop the site consistent with the General Plan vision of sustainability, including by providing campus design, Low-impact Development and LEED-ND features, LEED-certified buildings, a transit facility, and clean-fuel transit.

#### **BUDGET INFORMATION:**

All costs related to the development other than staff time are borne by the applicant. The project would be required to contribute its fair share for City services, including funding and installation of all on-site infrastructure and necessary off-site utility connections; paying development and traffic impact fees; and providing sites and funding for fire, police, and public works facilities and operations.

#### **ENVIRONMENTAL REVIEW:**

The development would be subject to a Subsequent EIR that may utilize baseline information from the prior EIR but must include new, thorough analysis of all potential significant impacts of the proposed development.

#### **SUMMARY:**

The applicant's January 23 and February 3 letters propose project review components to address community concerns, including a development agreement, subsequent EIR, specific plan that can accommodate changes to the General Plan if necessary, community advisory panel, and green/cleantech business recruitment program.

In addition, the attached resolution drafted at Council's direction:

- specifies an 18-month target period from hiring a specific plan/EIR consultant to action on the Tentative Map
- acknowledges the applicant's intent to sign agreements with the school district and labor groups
- requires the applicant to fund a project manager, as well as the specific plan/EIR preparation team and the community advisory panel, and
- stipulates that the specific plan must include:
  - A. Health Risk Assessment for Semple School children, staff and surrounding residents
  - B. Market analysis to evaluate the fiscal and economic feasibility of the proposed uses
  - C. Urban decay analysis to evaluate the project's impact on downtown and other existing commercial centers
  - D. Green/cleantech emphasis including a recruitment program
  - E. Compliance with AB 32 and SB 375 and related implementing regulations
  - F. Rough grading plans for all phases of the project
  - G. Form-based code design prescriptions for all areas of site
  - H. Design and program measures to protect natural resources

- I. Specific metrics and performance measures designed to allow measurement of the success of the various programs, such as green/cleantech recruitment, and any mitigation measures, and
- J. Transportation/traffic solutions designed to avoid and/or minimize significant air/noise/traffic impacts and reduce vehicle miles traveled to achieve the AB 32 and City of Benicia Climate Action Plan greenhouse gas emissions targets.

The applicant has suggested changes to the resolution (see February 10 attachment with cover letter), and Council Members have offered comments, including the following:

*Mayor Patterson*

- Include the Mayor, a council member and a planning commissioner on the advisory panel, and establish the panel now
- Tie required reduction in vehicle-miles traveled (VMT) to hiring local workers

*Council Member Hughes*

- Clarify how VMT reduction will be measured
- Determine whether and how local labor will be given preference

*Council Member Ioakimedes*

- Require on-site air monitoring as part of the Health Risk Assessment
- Include a real estate economist on the specific plan/EIR team (as also suggested by the applicant)

*Council Member Schwartzman*

- Establish the advisory panel as citizen-only after the specific plan is adopted
- Require prevailing wage for all development work at the project site

Conclusion

Few items remain to be worked out among the Council. Details regarding VMT performance measures can be deferred to the specific plan and EIR, and issues regarding labor can be dealt with in the development agreement. The timing and composition of the citizen panel, however, should be addressed now to establish certainty in how the application will be reviewed and processed. Finally, the applicant and school district have begun working toward a memorandum of understanding that would establish the developer's obligation to mitigate the impacts of a future project on school children and staff. If such an agreement is ready in time, it could be attached as an exhibit to the Council resolution.

**NEXT STEPS:**

If the denial is not rescinded, City review of the application will be concluded. If Council rescinds its denial of the project, and the applicant agrees in writing to the terms of the Council resolution, staff may then at Council's direction begin the new application review process, which could proceed roughly as shown in the following table.

<b>Element/Milestone</b>	<b>Estimated Date</b>	<b>Month</b>
Issue Specific Plan/EIR Request for Proposals ( <i>to selected consultants</i> )	March 2009	
Contract with consultant	May 2009	
Begin Specific Plan process: <i>e.g., public visioning workshop(s)</i>	June 2009	1
Planning Commission review of Draft Specific Plan	October 2009	5
Council action on Draft Specific Plan for Environmental Review: <i>would establish project description for Subsequent EIR</i>	November 2009	6
EIR scoping meetings	December 2010	7
Begin drafting Development Agreement	April 2010	11
Release Draft EIR for public review	June 2010	14
Planning Commission review of Draft Plan/EIR	July 2010	15
Sign Development Agreement	August 2010	16
City Council action on Specific Plan, EIR and Vesting Tentative Map	September 2010	17
First Final Map, including final grading plan	by Sept. 2012	
First building and grading permits	by Sept 2014	
Final Map for last phase	by Sept 2022	

Attachments:

- Draft Resolution
- Applicant's February 10 letter and suggested changes to draft resolution
- January 23 and February 3 letters from the applicant

**DRAFT RESOLUTION**

**RESOLUTION NO. 09-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA  
RECONSIDERING THE DECISION ON THE BENICIA BUSINESS PARK PROJECT  
AND RESCINDING RESOLUTION NO. 08-116 DENYING THE PROJECT**

**WHEREAS**, the Benicia City Council took action on November 18, 2008 to deny the Benicia Business Park project by adopting Resolution No. 08-116; and

**WHEREAS**, a Council Member filed a timely request for reconsideration of the Council's action; and

**WHEREAS**, the City Council signaled its intent to rescind its denial of the Benicia Business Park project after having a Community workshop on January 7, 2009, having further public testimony at the Council's February 3, 2009 meeting, and reaching consensus with the Benicia Business Park Developers on a collaborative process to engage the City, Developer, Benicia Unified School District and the Community as a whole in the planning process for the project; and

**WHEREAS**, the City Council seeks to provide assurances to the citizens of Benicia about this planning process.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Benicia that a collaborative process that incorporates the General Plan vision of sustainability, that could accommodate a green, clean-tech research and development campus, and that fully engages the City, the Developer, Benicia Unified School District and the Community as a whole is essential to a successful Benicia Business Park project.

**BE IT FURTHER RESOLVED** that the collaborative process includes, but is not limited to:

1. A SPECIFIC PLAN in accordance with Government Code section 65450 et seq. *Government Code Section 65451 provides in part that "a specific plan shall include a text and a diagram or diagrams which specify all of the following in detail:*

...  
*(3) Standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable.*  
*(4) A program of implementation measures including regulations, programs, public works projects, and financing measures...."*

2. A DEVELOPMENT AGREEMENT in accordance with Chapter 17.116 of the Benicia Municipal Code and Section 65864 et seq. of the Government Code. *Government Code Section 65865 provides in part that a development agreement shall include "the permitted uses of the property, the density or intensity of use, the maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes."*

3. A SUBSEQUENT ENVIRONMENTAL IMPACT REPORT in accordance with the California Environmental Quality Act and the City's CEQA Guidelines.

*California Public Resources Code Section 21166 provides: "When an environmental impact report has been prepared for a project pursuant to this division, no subsequent or supplemental environmental impact report shall be required by the lead agency or by any responsible agency, unless one or more of the following events occurs:*

*(a) Substantial changes are proposed in the project which will require major revisions of the environmental impact report.*

*(b) Substantial changes occur with respect to the circumstances under which the project is being undertaken which will require major revisions in the environmental impact report.*

*(c) New information, which was not known and could not have been known at the time the environmental impact report was certified as complete, becomes available."*

4. Items of particular interest to the City and the Community that will be evaluated through the public process and will ultimately be addressed in the Specific Plan, the Subsequent EIR and/or the Development Agreement include:

A. Health Risk Assessment pursuant to state law to address the potential health risks to the Semple School children, staff and surrounding residents;

B. Market Analysis to evaluate the fiscal and economic feasibility of the proposed uses;

C. Urban Decay Analysis to evaluate the project's impact on the City's General Plan-designated primary downtown commercial district and other existing commercial centers;

D. Green/cleantech emphasis including a recruitment program;

E. Compliance with AB 32 and SB 375 and related implementing regulations;

F. Rough grading plans for all phases of the project;

G. Form-based code design prescriptions for all areas of site;

H. Design and program measures to protect natural resources;

I. Specific metrics and performance measures designed to allow measurement of the success of the various programs, such as the Green/Cleantech recruitment, and any mitigation measures; and

J. Transportation/traffic solutions designed to avoid and/or minimize significant air/noise/traffic impacts and reduce vehicle miles traveled to achieve the AB 32 and City of Benicia Climate Action Plan greenhouse gas emissions targets.

The City and the Developer acknowledge that additional items of interest may develop as a result of the above studies or the CEQA work.

5. The establishment of a citizen panel to assist with the monitoring and implementation of any project finally approved. The Developer shall provide funding to cover the costs of the panel (including staffing) for the duration of the Development Agreement.

6. The recognition that to achieve a sustainable development project, the General Plan may require some amendment as a result of the Specific Plan, Development Agreement and Subsequent EIR processes.

7. To allow transparent and fully informed decision-making, completion of all studies or analysis required as part of the environmental review of the proposed project including, but not limited to, the Health Risk Assessment and Market/Urban Decay analysis prior to project approval.

8. The recognition that the lengthy process thus far may have inhibited fully informed participation by members of the Community. The City and the Developer commit to use their best efforts to keep to an 18-month time period from award of the consultant contract to Council action on the Tentative Map.

9. The recognition that the Benicia Unified School District seeks further assurances that the Semple Elementary Campus children and staff are not adversely affected by factors including, but not limited to, traffic, air pollution and noise, and that such assurances prior to project approval are also in the City's best interests to protect the community from adverse environmental effects.

10. The recognition that local labor should be given full opportunity to participate in all phases of the development of the project, which will not only promote the employment and skills of local residents but also help to reduce the greenhouse gas effects from workers having to commute out of town.

11. The Developer shall fully fund a project manager as well as the necessary consultants to process and prepare the Specific Plan, Development Agreement, Subsequent EIR and all related studies. The funding arrangements shall include all process costs including, but not limited to, staff contract administration, consultants, studies, meetings and facilitation. The Developer shall provide the funding which shall be deposited into the City's trust fund for the Developer and shall be replenished by the Developer when funds in the account are below \$25,000.

12. The Developer shall waive any present or past statutory or regulatory timelines for the Project and its application. The Developer further agrees to extend any time limits that may have accrued or will accrue as a result of the continued processing of the project for 18 months from the date of the hiring of a new consultant for the Specific Plan/SEIR. The City and the Developer agree that timeliness of the process is essential to the agreement; however, if the process takes longer, the Developer is committed to continuing to work with the City and will grant an extension in good faith.

13. The City and the Developer are committed to proceeding with the process for the project with a vision that includes developing an award-winning project for sustainable design, for public process and for public engagement.

**BE IT FURTHER RESOLVED** that upon written concurrence of the Developer with the terms and conditions of this resolution and adoption of this resolution by the Council, the November 18, 2009 denial of the Benicia Business Park project by Resolution No. 08-116 is hereby rescinded.

\*\*\*\*\*

On motion of Council Member \_\_\_\_\_ seconded by Council Member, the \_\_\_\_\_, above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 17th day of February, 2009, and adopted by the following vote:

Ayes:

Noes:

Absent:

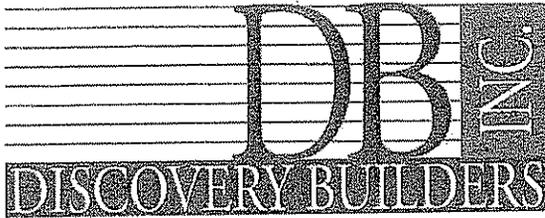
Abstain:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

**APPLICANT'S FEBRUARY 10 LETTER AND  
SUGGESTED CHANGES TO DRAFT  
RESOLUTION**



4061 Port Chicago Highway, Suite H  
Concord, California 94520  
(925) 682-6419  
Fax (925) 689-7741

February 10, 2009

Jim Erickson  
City Manager  
City of Benicia  
250 East L Street  
Benicia, CA 94510

Re: Comments on Draft Resolution Rescinding Resolution No. 08-116

Dear Mr. Erickson:

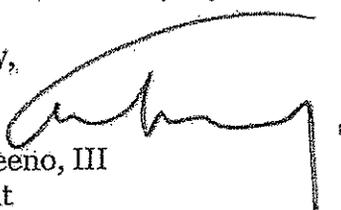
Thank you for giving us the opportunity to review the draft Resolution rescinding Resolution No. 08-116.

This City generated Draft Resolution includes many more very substantial additional commitments that were not offered in our January 23, 2009 and February 3, 2009 commitment letters. However, we are steadfast in our desire to see this Project move forward and are committed to working with the City and Community and therefore will agree to the majority of the language in the draft Resolution. Attached to this letter represents our minor comments and amendments to the draft Resolution that we would like City Staff and the City Council to consider incorporating.

We certainly hope that this draft Resolution reflects the input staff has received from the City Council. To the extent there are additional comments or changes from the City Council, it is important that they are provided to us right away for review. As I am sure you can understand we do not wish to be provided yet another version of this draft Resolution at the last minute right before the February 17, 2009 hearing. This would not afford us the necessary time to thoroughly review any such Resolution.

Again, thank you for letting us provide our comments and please do not hesitate to contact me directly if you have any questions.

Sincerely,

  
Albert Seeno, III  
President

Cc: Honorable Mayor and Members of the City Council  
Charlie Knox  
Louis Parsons

**IX-D-11**

RESOLUTION NO. 09-\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA  
RECONSIDERING THE DECISION OF THE BENICIA BUSINESS PARK PROJECT  
AND RESCINDING RESOLUTION NO. 08-116 DENYING THE PROJECT**

**WHEREAS**, the Benicia City Council took action on November 18, 2008 to deny the Benicia Business Park project by adopting Resolution No. 08-116; and

**WHEREAS**, a Council Member filed a timely request for reconsideration of the Council's action; and

**WHEREAS**, the City Council signaled its intent to rescind its denial of the Benicia Business Park project after having a Community workshop on January 7, 2009, having further public testimony at the Council's February 3, 2009 meeting, and reaching consensus with the Benicia Business Park Developers on a collaborative process to engage the City, Developer, Benicia Unified School District and the Community as a whole in the planning process for the project; and

**WHEREAS**, the City Council seeks to provide assurances to the citizens of Benicia about this planning process.

**NOW, THEREFORE, BE IT RESOLVED BY THE** City Council of the City of Benicia that a collaborative process that fulfills incorporates the General Plan vision of sustainability, that will could accommodate a green, clean-tech research and development campus, is grounded in economic reality, and that fully engages and enhances the City, the Developer, Benicia Unified School District and the Community as a whole is essential to a successful Benicia Business Project.

**BE IT FURTHER RESOLVED** that the collaborative process includes, but is not limited to:

1. A SPECIFIC PLAN in accordance with Government Code section 65450 et seq. *Government Code Section 65451 provides in part that a "specific plan shall include a text and a diagram or diagrams which specify all of the following in detail:*

...  
*(3) Standards and criteria by which development will proceed, including but not limited to transportation/traffic solutions designed to avoid and/or minimize significant air/noise/traffic impacts, reduce vehicle miles traveled to achieve AB 32 and City of Benicia Climate Action Plan greenhouse gas emissions targets and standards for the conservation, development, and utilization of natural resources, where applicable.*

*(4) A program of implementation measures including regulations, programs, public works projects, and financing measures..."*

2. A DEVELOPMENT AGREEMENT in accordance with Chapter 17.116 of the Benicia Municipal Code and Section 65864 et seq. of the Government Code. *Government Code Section 65865 provides in part that a development agreement shall specify "the duration of the agreement, include the permitted uses of the property, the density or intensity of use, the maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes."*

3. A SUBSEQUENT ENVIRONMENTAL IMPACT REPORT in accordance with the California Environmental Quality Act and the City's CEQA Guidelines.

*California Public Resources Code Section 21166 provides: "When an environmental impact report has been prepared for a project pursuant to this division, no subsequent or supplemental environmental impact report shall be required by the lead agency or by any responsible agency, unless one or more of the following events occurs:*

*(a) Substantial changes are proposed in the project which will require major revisions of the environmental impact report.*

*(b) Substantial changes occur with respect to the circumstances under which the project is being undertaken which will require major revisions in the environmental impact report.*

*(c) New information, which was not known and could not have been known at the time the environmental impact report was certified as complete, becomes available."*

4. Green/cleantech emphasis that includes a fully articulated business recruitment program which attempts to tie job creation to the surrounding housing population, is consistent with the goals and vision of our General Plan, and that has an emphasis on the green/cleantech industry.

54. Critical items of particular interest to the City and the Community that will be evaluated through the public process and will ultimately be addressed in the Specific Plan, the Subsequent EIR and/or the Development Agreement include:

A. Health Risk Assessment consistent with pursuant to state law to address the potential health risks to the Semple School children, staff and surrounding residents within 200' of Semple School;

B. Market Analysis to evaluate the fiscal and economic feasibility of the proposed uses;

C. Urban Decay Analysis to evaluate the project's impact on the City's General Plan-designated primary downtown commercial district and other existing commercial centers;

~~D. Green/cleantech emphasis including a recruitment program;~~

~~DE. Compliance with AB 32 and SB 375 and related implementing regulations;~~

~~EF. Rough grading plans for all phases of the project;~~

~~FG. Form-based code design prescriptions for all areas of site;~~

~~GH. Design and program measures to protect natural resources;~~

~~HI. Specific metrics and performance measures designed to allow measurement of the success of the various programs, such as the Green/Cleantech recruitment, and any mitigation measures; and~~

~~IJ. Transportation/traffic solutions designed to avoid and/or minimize significant air/noise/traffic impacts and reduce vehicle miles traveled to achieve the AB 32 and City of Benicia Climate Action Plan greenhouse gas emissions targets.~~

The City and the Developer acknowledge that additional items of interest may develop as a result of the above studies or the CEQA work.

65. The establishment of a voluntary citizen panel to assist with the monitoring and implementation of any project finally approved. The Developer shall provide reasonable funding

to cover ~~City the costs for~~ the panel as long as the City reasonably determines is necessary (including staffing) for the duration of the Development Agreement.

76. The recognition that to achieve a sustainable development project, the General Plan may require some amendment as a result of the Specific Plan, Development Agreement and Subsequent EIR process.

87. To allow transparent and fully informed decision-making, completion of all studies or analysis required as part of the environmental review of the proposed project including, but not limited to, the Health Risk Assessment and Market/Urban Decay analysis prior to project approval.

~~98. The recognition that the lengthy process thus far may have inhibited fully informed participation by members of the Community.~~ The City and the Developer commit to use their best efforts to keep an 18-month time period from award of the consultant contract to Council action on the Tentative Map.

109. The recognition that the Benicia Unified School District seeks science based further assurances that the Simple Elementary campus children and staff are not adversely affected by factors including, but not limited to, traffic, air pollution and noise impacts generated by the Project, and that such assurances prior to project approval are also in the City's best interests to protect the community from adverse environmental effects.

110. The recognition that local labor should be given full opportunity to participate in all phases of the development of the project, which will not only promote the employment and skills of local residents but also help reduce the greenhouse gas effects from workers having to commute out of town.

124. The Developer shall fully fund a project manager as well as the necessary additional consultants including a Real Estate Economist to process and prepare the Specific Plan, Development Agreement, Subsequent EIR and all related studies. The funding arrangements shall include all process costs including, but not limited to, staff contract administration, consultants, studies, meetings and facilitation. The Developer shall provide the funding which shall be deposited into the City's trust fund for the Developer and shall be replenished by the Developer when funds in the account are below \$25,000. Detailed itemized billings will be provided to developer for review and approval on a monthly basis.

132. The Developer shall waive any past or present statutory or regulatory timelines for the Project and its application. The Developer further agrees to extend any time limits that may have accrued or will accrue as a result of the continued processing of the project for 18 months from the date of the hiring of a new consultant for the Specific Plan/SEIR. The City and the Developer agree that timeliness of the process is essential to the agreement; however, if the process takes longer and, the Developer and the City are is committed to continuing to work together in good faith, then the Developer with the City and will grant an extension of such timelines, in good faith.

143. The City and the Developer are committed to proceeding with the process for the project with a vision that includes developing an economically and physically feasible award-winning project for sustainable design, for public process and for public engagement.

**BE IT FURTHER RESOLVED** that upon ~~written~~ concurrence of the Developer with the terms and conditions of this resolution and adoption of this resolution by the Council, the November 18, 2008~~9~~ denial of the Benicia Business Park project by Resolution No. 08-116 is hereby rescinded.

\*\*\*\*\*

On motion of Council Member \_\_\_\_\_ seconded by Council Member, the \_\_\_\_\_, above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 17<sup>th</sup> day of February, 2009, and adopted by the following vote:

Ayes:

Noes:

Absent:

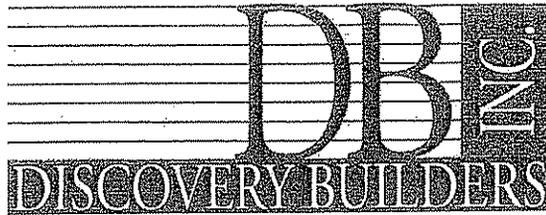
Abstain:

\_\_\_\_\_  
Elizabeth Patterson, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Wolfe, City Clerk

**APPLICANT'S LETTERS OF  
JANUARY 23 AND FEBRUARY 3**



4061 Port Chicago Highway, Suite H  
Concord, California 94520  
(925) 682-6419  
Fax (925) 689-7741

January 23, 2009

Dear Mayor Patterson and Members of the Benicia City Council:

After my conversations with members of the City Council and after the January 7, 2009 Community Meeting and further discussions within our organization, we offer the following in the hope that you will rescind your November 18, 2008 decision to deny our application to develop the Benicia Business Park Project. Please be advised that the commitments set forth herein are made by both the project owner, West Coast Home Builders, Inc. and the project developer, Discovery Builders, Inc. (hereafter collectively "Discovery Builders"). To that end please accept the following offer:

If, at the Feb 3, 2009 City Council meeting, the City Council votes to rescind its decision to deny our project we will commit to the following in exchange for said rescission:

#### I. WAIVER AND EXTENSION OF TIME LIMITS

Discovery Builders shall waive any present or past statutory or regulatory timelines for the Project and its application. We further agree to extend any time limits that may have accrued or will accrue as a result of the continued procession of our project for 12 months from the date of the Council's decision to overturn the Project denial. Timeliness of the process is essential to our agreement, however if the process takes longer, we are committed to continuing to work with the City and we will grant a 6 month extension in good faith.

#### II. DEVELOPMENT AGREEMENT

Discovery Builders shall enter into a Development Agreement with the City of Benicia. We shall negotiate the terms of the Agreement in good faith, but we acknowledge at the outset that the Agreement shall include the following components as well as others:

- A. The Specific Plan and all conditions of approval already introduced for the Project shall be terms of the Development Agreement unless the City Council determines one or more terms unnecessary;
- B. The agreement shall include a requirement that Discovery Builders negotiate a separate written agreement with the Benicia Unified School District (the BUSD Agreement) to address the Project's impacts on Semple School, and that said agreement is in place prior to approval of the Development Agreement.

**IX-D-17**

- C. The Agreement shall include a requirement that Discovery Builders enter into a separate written agreement (the PLA) with certain unions, including those commonly known as Building Trades, for work to be done on the Project and that said agreement be in place prior to approval of the Development Agreement.
- D. The terms of the BUSD agreement and the PLA are separate from the Development Agreement but must be in place prior to approval of the Development Agreement.

### III. SUBSEQUENT EIR

In conjunction with the Development Agreement, Discovery Builders shall fund a Subsequent EIR (SubEIR) for the Project:

- A. The processing of the SubEIR shall include two scoping sessions.
- B. The Health Risk Assessment prepared by LSA, dated November 2008, shall not be used or relied upon in any way during the environmental review and/or further processing of Project approvals;
- C. The SubEIR shall be prepared by an independent consultant of the City's choosing, *but in no case shall LSA be contracted for further work on the Project environmental review or Project approvals;*
- D. All studies required by the mitigation measures and/or conditions of approval shall be completed prior to issuance of the first grading permit.
- E. Updated Economic Analysis and Market Study of the Project shall be included in the SubEIR.
- F. Updated Health Risk Assessment shall be included in the SubEIR.
- G. SubEIR will identify that Development Agreement will be part of the Project.

### IV. AB32 and SB 375

The Project shall comply with the requirements of AB32 and SB 375. This will include implementation of a Transportation Demand Management (TDM) plan to reduce emissions and vehicle use. A TDM plan will need to be approved for every phase of Project development by the City of Benicia prior to issuance of the first building permit for that Phase. This TDM will include a free express shuttle service funded by a Benicia Business Park CFD. This express shuttle service will serve the Project site and Downtown Benicia. The TDM plan will also include designs for a transit center constructed on the Project site with properly planned and located shuttle stops. The TDM plan will also provide guidelines and requirements for shared-use parking, traffic calming mechanisms, bike rack locations, carpool and van-pool ride match programs and requirements for implementation of bike paths and walking paths. This Project will be required to provide funds to extend the Benicia Breeze to the Project site. Bio-swales and bio-retention basins must be integrated into the Project design and all buildings within the Project must be LEED certified

### V. SPECIFIC PLAN

In conjunction with the Development Agreement and SubEIR Discovery Builders shall work with the City to process a Specific Plan for the Project consistent with the existing General Plan as part of the Project approval process. The Specific Plan shall follow the requirements of Government Code Section 65451. The Specific Plan will establish detailed development standards for the entire Project. Input from the community and all stakeholders will be included and used to develop the Specific Plan.

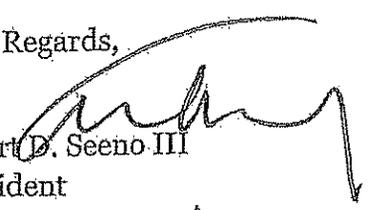
#### VI. ADDITIONAL TERMS AT COUNCIL'S DISCRETION

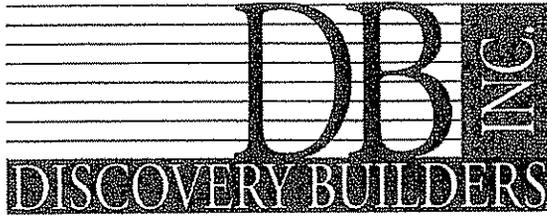
In addition to the above commitments, we agree to the following::

- A. We will fund reasonable City expenses associated with the establishment and operation of a Community Advisory Panel or Commission for the Project as determined by the City Council.
- B. We will fund reasonable City expenses associated with the establishment and operation of a Business Recruitment Program for the Project.
- C. We will cooperate with the City in establishing a timetable for actively processing and pursuing project entitlements:  
We will work with the City to determine realistic dates for completing the Specific Plan, certifying the SEIR, Approval of the Vesting Tentative Map, Master Plan Overlay and Development Agreement.
- D. We will promote use of local hires.
- E. Implement the current General Plan which is a consensus based plan for the City of Benicia.
- F. Encourage and promote green/clean technology users and develop proactive recruitment plan.
- G. We will communicate with public, city and staff and take the time necessary for comprehensive development, processing and community engagement.
- H. We will work with the City in developing ways in which to make the Project economically sustainable and feasible for potential users.

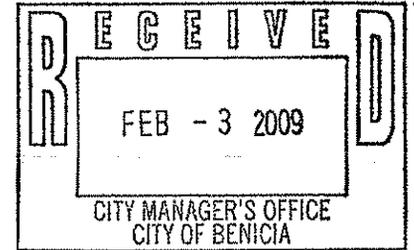
Thank you for your time and consideration.

Best Regards,

  
Albert D. Seeno III  
President



4061 Port Chicago Highway, Suite H  
Concord, California 94520  
(925) 682-6419  
Fax (925) 689-7741



February 3, 2009

Honorable Mayor Elizabeth Patterson  
and Members of the City Council  
City of Benicia  
250 East L Street  
Benicia, CA 94510

Re: Benicia City Council Meeting; Benicia Business Park Proposal

Dear Mayor Patterson and Members of the Benicia City Council:

As promised, on January 23, 2009 we submitted a revised commitment letter to the City regarding our project. The revisions were based on comments made by members of the City Council and the general public at the January 7, 2009 Community Meeting. Since January 23rd, we have not received one phone call or email from City staff, City Council members or anyone else as it pertains to our revised commitment letter. We were expecting calls or emails with questions or clarifications, but we've received no correspondence whatsoever since we submitted our letter. It was therefore our assumption and hope that the revised commitment letter identified the majority of the key issues that would allow for the Council's rescission of the November 18, 2008 decision. I want it to be clear that we have been available at all times to meet and discuss this commitment letter with any member of the City Council or City staff over these past 11 days, but again there has been no attempt to contact us at all.

Recent local news articles and the City's staff report for tonight's meeting identify a common area of concern with regard to our commitment letter. Of concern is our company's position that any Specific Plan developed for this Project must be consistent with the existing General Plan. It is clear that limiting the development of an acceptable Specific Plan to be consistent with the existing Benicia General Plan for our property is of concern to some. Please be advised that we are flexible and agree that an amendment to the General Plan *may* be required to adopt the Specific Plan that is developed as a result of this process. However, during the development of the Specific Plan, we want the City of Benicia to commit and ensure that we will have an active role in its development. We want to be part of the consultant selection, want to review the scope of work for the Specific Plan, and have an active, participatory role in the Specific Plan development process. It is important that the Specific Plan put before the Council for consideration not only reflect a community-based input for the property but is financially and physically feasible and acceptable to us as the project developer. If,

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during the development of a mutually acceptable Specific Plan, it is evident that an amendment to the existing General Plan land use designation is necessary, we are amenable to such an amendment in order to implement the Specific Plan.

Another area of concern with our commitment letter seems to be our use of the word 'reasonable' in describing certain expenses that we have agreed to be responsible for. Our use of the word "reasonable" was to ensure that the expenses we've committed to do not become excessive and remain fair and rationale. This is an area which we feel we can work with staff on by establishing estimated budgets and outlining scope of work parameters. We've worked with staff on various budget augments so far on the Benicia Business Park project and we have always been able to agree upon a reasonable fee for project processing.

Thank you for your time and further consideration of this letter.

Best Regards,

Albert Seeno, III  
President

A handwritten signature in black ink, appearing to read 'Albert Seeno, III', with a long horizontal flourish above the name and a vertical line extending downwards from the end.

**AGENDA ITEM**  
**CITY COUNCIL MEETING: FEBRUARY 17, 2009**  
**COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 11, 2009  
**TO** : Mayor Patterson  
**FROM** : City Manager  
**SUBJECT** : **MAYORS' COMMITTEE MEETING**

The following information is provided for your committee report at the February 17, 2009 City Council meeting.

The Mayors' Committee meetings are held on the third Wednesday of each month at 6:00 pm. The next committee meeting is the quarterly Mayors' Conference, which is scheduled for February 18, 2009 in Rio Vista. Please see the following page for additional information on the event.

YOU WON'T WANT TO MISS THIS!

# THE MAYOR'S CONFERENCE

WEDNESDAY, FEBRUARY 18, 2009

THE POINT RESTAURANT  
120 MARINA DRIVE  
RIO VISTA, CALIFORNIA

6:00 PM REGISTRATION

6:30 PM DINNER

7:00 PM PROGRAM

SPEAKER:

**JOE GRINDSTAFF**

DEPUTY SECRETARY FOR WATER POLICY,  
CALIFORNIA RESOURCES AGENCY

## DELTA VISION

BUFFET DINNER FEATURING

CAESAR SALAD

BBO TRI-TIP

CHICKEN MARSALA

CALAMARI STEAK

VEGETABLES, POTATO

COFFEE OR TEA

DESSERT: JIM'S DELIGHT

NO-HOST BAR

COST: \$40 PER PERSON

SPACE IS LIMITED, SO MAKE YOUR RESERVATIONS NOW! **DEADLINE: FEBRUARY 11, 2009**

CHECKS PAYABLE TO CITY OF RIO VISTA

CONTACT: DAWN BAHRENFUSS, 374-6451

BAHRENFUSS@CI.RIO-VISTA.CA.US

1 MAIN STREET

RIO VISTA, CA 94571

**AGENDA ITEM**  
**CITY COUNCIL MEETING: FEBRUARY 17, 2009**  
**COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 10, 2009

**TO** : Mayor Patterson  
Vice Mayor Campbell

**FROM** : City Attorney 

**SUBJECT** : **ABAG COMMITTEE MEETING**

The following information is provided for your committee report at the February 17, 2009 council meeting:

- The Spring General Assembly is scheduled for Thursday, April 23, 2009, at the Palace Hotel in San Francisco.
- The conference will deal with Climate Change issues and will be co-sponsored with other Bay Area regional agencies.
- This General Assembly is also the annual business meeting and one of the required meetings for elected official delegates.
- The 2009 Fall General Assembly is scheduled for Thursday, October 22, 2009 in Oakland.



**AGENDA ITEM**  
**CITY COUNCIL MEETING: FEBRUARY 17, 2009**  
**COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 9, 2009

**TO** : Vice Mayor Campbell  
Council Member Schwartzman

**FROM** : Finance Director

**SUBJECT** : **FINANCE, AUDIT AND BUDGET COMMITTEE**

The following information is provided for your committee report at the February 17, 2009 Council meeting.

The committee met on February 6, 2009 at 8 a.m. in the Commission Room. The Draft Minutes from that meeting are attached. The next meeting will be held on Friday, March 6, 2009.

**FINANCE, AUDIT AND BUDGET COMMITTEE  
REGULAR MEETING MINUTES  
COMMISSION ROOM  
FEBURARY 6, 2009 - 8:00 AM**

**1. Call to Order at 8:05am.**

Attended by Committee Chair Ralph DeJesu, Vice-Mayor Tom Campbell, Council Member Alan Schwartzman, and Treasurer Teddie Bidou. Staff present included Finance Director Robert Sousa and Asst. Finance Director Abby Urrutia. Members of the public included Dan Miceli, Rick Ernst, and Larry Grossman. Guest in attendance was Vikki Rodriguez of Maze & Associates.

**2. Notice to the Public**

**3. Approval of Minutes from the Regular Meeting held on January 9, 2009 by consensus.**

**4. Previous Month Warrant Register Review for January 2009.**

Member Bidou questioned the payment of \$1,650.97 to PFM Investment Advisors for managing the City's portfolio. The Finance Director will correct the description, which reads "reserves" to read "Management of Portfolio".

Member Bidou questioned the payments to Bureau Veritas. The Finance Director outlined the method by which Bureau Veritas reviews plans relating to the Valero VIP program and the City is reimbursed from Valero.

Member Schwartzman questioned the payment to Northwestern Mutual Life for \$453 for Robert Sousa. The Finance Director advised this was part of the Management MOU perqs. The life insurance is for \$100,000.

Rick Ernst questioned payments to Bartle Wells for \$8,288.00 for Water Rate Studies, Benicia Historical Museum for \$20,000 for quarterly allocation, Edward Bacon Co. for \$14,000 for an air compressor, Fehr and Peers for \$9,783.50 for designing the BHS traffic signal, Hach and Company for \$11,571.33 for turbidimeters for water treatment, Techknowsion for \$7,002.30 for SCADA monitoring equipment, Meyers Nave for 9,847.54 for legal fees, and the Bureau Veritas payments mentioned above.

**Recommendation: Approved Warrant Registers by consensus.**

**5. Presentation of Comprehensive Annual Financial Report (CAFR)**

Vikki Rodriguez, Shareholder of Maze & Associates presented the results of the FY 2007-08 Comprehensive Annual Financial Report. The CAFR is the accumulation of the Audited Financial Statements and other important information compiled by City Finance Staff. The audit has produced an unqualified opinion for the City, meaning the City had a clean audit. The City has adequate internal controls and there were no material weaknesses that the auditors found. Ms. Rodriguez was asked to compare the financial condition of Benicia with other cities that Maze & Associates audits. She indicated that Benicia has healthy reserves compared to some of their clients who have gone bankrupt or are contemplating to declare bankruptcy. The overall financial condition of Benicia is healthy.

Member Campbell requested that Chris Tomasik, Assistant Public Works Director attend the next meeting to talk about the overall health of the Enterprise Funds and how the

**X-B-3-2**

Water Fund will absorb the planned \$5 million purchase of Water Rights from Lake Berryessa. The Finance Director will speak with Ms. Tomasik about scheduling a brief overview of the Enterprise Funds.

Since Maze & Associates contract extension expired for the audit year of June 30, 2008, discussion followed on the need to do a Request for Proposal (RFP) for professional audit services. An RFP is being prepared for a one-year contract with an option to extend to four subsequent years. The committee will be involved in the selection process.

**Recommendation: Approved the CAFR and forwarding to the City Council.**

**6. Review Long Range Calendar**

The next FAB meeting will be held on March 6, 2009.

**7. Public Comment**

**8. Adjournment**

Meeting was adjourned at 10:05 a.m.

## Public Participation

The Benicia Audit and Finance Committee welcomes public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The Finance, Audit and Budget Committee allows speakers to speak on non-agendized matters under public comment, and on agendized items at the time the agenda item is addressed at the meeting. Comments are limited to no more than 5 minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the Finance, Audit and Budget Committee.

Should you have material you wish to enter into the record, please submit it to the Finance Director.

## Disabled Access

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact the Human Resources Department, the ADA Coordinator, at (707) 746-4211. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

## Meeting Procedures

All items listed on this agenda are for Committee discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the Audit and Finance Committee.

Pursuant to Government Code Section 65009, if you challenge a decision of the Finance, Audit and Budget Committee in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Finance, Audit and Budget Committee at, or prior to, the public hearing. You may also be limited by the ninety (90) day statute of limitations in which to challenge in court certain administrative decisions and orders (Code of Civil Procedure 1094.6) to file and serve a petition for administrative writ of mandate challenging any final City decisions regarding planning or zoning.

The decision of the Finance, Audit and Budget Committee is final as of the date of its decision unless judicial review is initiated pursuant to California Code of Civil Procedures Section 1094.5. Any such petition for judicial review is subject to the provisions of California Code of Civil Procedure Section 1094.6.

**AGENDA ITEM  
CITY COUNCIL MEETING: FEBRUARY 17, 2009  
COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 11, 2009  
**TO** : Mayor Patterson  
Council Member Schwartzman  
**FROM** : City Manager  
**SUBJECT** : **LEAGUE OF CALIFORNIA CITIES**

The following information is provided for your committee report at the February 17, 2009 City Council meeting.

The next North Bay Division General Membership Meeting will be hosted by the City of Benicia on Thursday, February 19, 2009 at the Benicia Historical Museum. Please see the flyer on the following page for additional information.



**NORTH BAY DIVISION  
MEMBER CITIES**

**MARIN COUNTY**  
BELVEDERE  
CORTE MADERA  
FAIRFAX  
LARKSPUR  
MILL VALLEY  
NOVATO  
ROSS  
SAN ANSELMO  
SAN RAFAEL  
SAUSALITO  
TIBURON

**NAPA COUNTY**  
AMERICAN CANYON  
CALISTOGA  
NAPA  
ST. HELENA  
YOUNTVILLE

**SOLANO COUNTY**  
BENICIA  
DIXON  
FAIRFIELD  
RIO VISTA  
SUISUN CITY  
VACAVILLE  
VALLEJO

**SONOMA COUNTY**  
COTATI  
HEALDSBURG  
PETALUMA  
ROHNERT PARK  
SANTA ROSA  
SEBASTOPOL  
SONOMA  
WINDSOR

**DIVISION OFFICERS**

**PRESIDENT**  
SHAWN MARSHALL  
COUNCIL MEMBER - MILL VALLEY

**FIRST VICE PRESIDENT**  
GARY PLASS  
COUNCIL MEMBER - HEALDSBURG

**SECOND VICE PRESIDENT**  
CURTIS HUNT  
VICE MAYOR - VACAVILLE

**PAST PRESIDENT**  
JACK GINGLES  
MAYOR- CALISTOGA

**LEAGUE DIRECTOR**  
ALICE FREDERICKS  
MAYOR- TIBURON

**LEAGUE STAFF**  
AMY O'GORMAN  
DIRECTOR OF REGIONAL  
PUBLIC AFFAIRS

MARY CREASEY  
REGIONAL PUBLIC AFFAIRS ANALYST

**NORTH BAY DIVISION  
GENERAL MEMBERSHIP  
DINNER MEETING**

*Hosted by the City of Benicia*

**Thursday, February 19, 2009**

**Captain Stone Hall, Benicia Historical Museum  
2060 Camel Road, Benicia California**

**Welcome Reception 6:00 pm**

**Dinner 7:00 pm**

**Program 7:30 pm**

With Special Presentation by

**The Honorable Fred Keeley**

**Elected Treasurer, Santa Cruz County and  
Former President pro Tempore,  
California State Assembly**

Mr. Keeley is a member of the Leadership Council of California Forward, a bi-partisan effort to transform state government through citizen-driven solutions to provide better representation, smarter budgeting and fiscal management, and high quality public services so all Californians have the opportunity to be safe, healthy and prosperous in the global economy.

**\$35 per person**

Checks payable to: North Bay Division, LOCC  
C/o: Mary Creasey, League of California Cities  
770 L Street, Suite 800, Sacramento, CA 95814

Questions? Please contact Amy O'Gorman  
(707) 291-3270 / [aogorman@cacities.org](mailto:aogorman@cacities.org) or  
Mary Creasey (916) 658-8243 / [mcreasey@cacities.org](mailto:mcreasey@cacities.org)

**X-B-4-2**



**Fred Keeley**  
**Treasurer, Santa Cruz County**

Fred Keeley is treasurer of Santa Cruz County, a position he has held since January 2005. He served in the California State Assembly from 1996 to 2002 and served four years as the Speaker pro Tempore of the Assembly. During the California energy crisis in 2000 and 2001, Speaker Robert Hertzberg appointed Mr. Keeley chief operating officer for the Assembly on the energy crisis. In that capacity, Mr. Keeley authored California's solution to the energy crisis. He also helped in forging budget compromises between Democrats and Republicans in the legislature.

Following his service in the legislature, Mr. Keeley was executive director of the Planning and Conservation League and the PCL Foundation, non-profit organizations specializing in environmental research and legislative advocacy. Mr. Keeley teaches political science courses at San Jose State University and is a frequent lecturer at various universities on California state government, politics, and a variety of environmental topics. Prior to serving in the legislature, Mr. Keeley served for eight years as a member of the Santa Cruz County Board of Supervisors. He also previously was chief of staff to then-Assemblymember Sam Farr (D-Carmel) and policy director to Santa Cruz County Supervisor Joe Cucchira.

Mr. Keeley is co-chair of the Voices of Reform Project of the Commonwealth Club of California, which is focused on governmental reforms in the following areas: redistricting, term limits, campaign finance, budget and initiative process. He is a member of the board of directors of the California League of Conservation Voters and serves on the board of directors of Planned Parenthood Advocates for Northern California and Nevada.

He holds a degree from San Jose State University.



**AGENDA ITEM**  
**CITY COUNCIL MEETING: FEBRUARY 17, 2009**  
**COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 11, 2009

**TO** : Council Member Ioakimedes  
Council Member Hughes

**FROM** : City Manager

**SUBJECT** : **CITY COUNCIL/SCHOOL BOARD LIAISON COMMITTEE**

The following information is provided for your committee report at the February 17, 2009 City Council meeting.

This committee meets quarterly in the Benicia Unified School District meeting room. The next meeting will be held on March 12, 2009. The agenda for that meeting is not yet available.



**AGENDA ITEM**  
**CITY COUNCIL MEETING: FEBRUARY 17, 2009**  
**COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 10, 2009

**TO** : Vice Mayor Campbell  
Council Member Ioakimedes

**FROM** : City Manager

**SUBJECT** : **SKY VALLEY OPEN SPACE COMMITTEE**

The following information is provided for your committee report at the February 17, 2009 Council meeting.

The last meeting of the Sky Valley Open Space Committee was held on Wednesday, February 4th, 2009. A meeting agenda from the February 4<sup>th</sup> meeting has been attached to this staff report for Council review. At the meeting, Committee Members heard presentations from the Greenbelt Alliance/Solano County Orderly Growth Committee and from the California Rangeland Trust (CRT). The Committee directed staff to begin working with CRT to identify the first parcel in the Sky Valley area to target for conservation easements and staff should explore a draft budget for such a project.

In other business, the Committee voted in Craig Snider as the new Vice Chair of the group.

The next meeting is scheduled for Wednesday, May 6th, 2009 at 7:00 p.m. A draft meeting agenda for the May 6<sup>th</sup> meeting is unavailable at this time but will be forwarded to Council when it becomes available.



**BENICIA SKY VALLEY OPEN SPACE COMMITTEE  
COMMISSION ROOM  
REGULAR MEETING AGENDA**

**Wednesday, February 4, 2009  
7:00 P.M.**

**I. CALL TO ORDER**

**A. Roll Call of Committee Members**

Chair Scott Shepard, Tom Campbell, John Furtado, Mike Ioakimedes, Craig Snider

- B. Reference to Fundamental Rights of Public** - A plaque stating the Fundamental Rights of each member of the public is posted at the entrance to this meeting room per Section 4.04.030 of the City of Benicia's Open Government Ordinance.

**II. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA**

**III. PRESENTATIONS**

**A. SOLANO ORDERLY GROWTH INITIATIVE**

Christina Wong from the Greenbelt Alliance and Duane Kromm from the Solano Orderly Growth Committee will present an update on the Orderly Growth Initiative and what it means for Sky Valley. Ms. Wong will also give a regional update on legislation affecting open space in the Bay Area.

**B. CALIFORNIA RANGELAND TRUST**

Representatives from the California Rangeland Trust will update the Committee on the status of the Sky Valley conservation easement project and the Trust's process and estimated timeline.

**IV. CONSENT CALENDAR**

Consent Calendar items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the Sky Valley Committee or a member of the public by submitting a speaker slip for that item.

**A. Minutes of October 1, 2008**

**V. REGULAR AGENDA ITEMS**

**A. RANGELAND TRUST/CONSERVATION EASEMENT UPDATE (Discussion Item)**

**X-B-6-2**

**B. ELECTION OF VICE CHAIR (Action Item)**

The Committee should discuss and vote on which Committee Member should serve as the Vice Chair of the Committee.

**V. COMMUNICATIONS FROM COMMITTEE MEMBERS**

**V. COMMUNICATIONS FROM STAFF**

**VI. ADJOURNMENT**

Chair Shepard will adjourn the meeting to the next regularly scheduled meeting of the Sky Valley Committee, May 6<sup>th</sup>, 2009.

**Public Participation**

The Benicia Sky Valley Open Space Committee welcomes public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The Sky Valley Open Space Committee allows speakers to speak on non-agendized matters under public comments, and on agendized items at the time the agenda item is addressed at the meeting. Comments are limited to no more than five minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the Sky Valley Open Space Committee.

Should you have material you wish to enter into the record, please submit it to the Committee Secretary.

**Disabled Access**

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact Valerie Ruxton, the ADA Coordinator, at (707) 746-4211. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**Meeting Procedures**

All items listed on this agenda are for Committee discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the Sky Valley Open Space Committee.

**Public Records**

The agenda packet for this meeting is available at the City Clerk's Office, the Benicia Public Library during regular working hours, and at the Community Development Department. To the extent feasible, the packet is also available on the City's website at [www.ci.benicia.ca.us](http://www.ci.benicia.ca.us) under the heading "Agendas and Minutes." Public records related to an agenda item that are distributed after the agenda packet is prepared are available before the meeting at the Community Development Department, or at the meeting. If you wish to submit written information on an agenda item, please submit to Mike Marcus, Assistant Planner, as soon as possible so that it may be distributed to the Sky Valley Open Space Committee.



**AGENDA ITEM  
CITY COUNCIL MEETING: FEBRUARY 17, 2009  
COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 9, 2009

**TO** : Mayor Patterson  
Council Member Ioakimedes

**FROM** : Jim Erickson, City Manager

**SUBJECT** : **SOLANO EDC BOARD OF DIRECTORS**

The following information is provided for your committee report at the February 17, 2009 Council meeting:

The last Board of Directors meeting was held on Thursday, January 22, 2009. The agenda for that meeting is attached. Minutes for that meeting are not yet available. In addition, minutes for the December 11, 2008 meeting are attached.

The next Board of Directors meeting is scheduled tentatively for Thursday, March 26, 2009 at 9:00 am at Jelly Belly Candy Company. The agenda for that meeting is not yet available.

**Solano EDC  
Board of Directors Meeting**

Thursday, January 22, 2009  
Jelly Belly Candy Company (Corporate Offices)  
2500 North Watney Way, Fairfield, CA

**AGENDA**

- |             |   |                             |
|-------------|---|-----------------------------|
| 9:00 am     | 1. Call to Order                          | Scott Reynolds, Chair       |
| Action Item | 2. Approval of 12/11/08 Meeting Minutes   |                             |
| Action Item | 3. Treasurer's Report – December 2008     | Sandy Person for John Onsum |
| Action Item | 4. Election of 2009 Directors             | Scott Reynolds              |
| Action Item | 5. Election of 2009 Chairman of the Board |                             |

**Committee Reports**

- |   |                       |
|---|-----------------------|
| >Membership Committee                     | Sandy (for Brooks P.) |
| >Marketing Task Force                     | Kay Draisin           |
| >Transportation                           | Daryl Halls           |
| 6. President's Update & Prospect Activity | Mike Ammann           |
| 7. Items from Directors                   |                       |

**Calendar of Events**

- |                     |  |
|---------------------|--|
| ◆ January 29, 2009  | Annual Meeting luncheon (11:30 am) Hilton, Fairfield   |
| ◆ February 26, 2009 | Membership Breakfast – Energy Cluster<br>Speaker: Doug Henton / Collaborative Economics<br>Time: 7:30 – 9:00 am<br>Location: TBD |



**SOLANO EDC BOARD OF DIRECTORS MEETING  
DECEMBER 11, 2008, 9:00 AM**

**CALL TO ORDER**

Chairman Reynolds called the meeting to order at 9:05 am at the Jelly Belly Candy Company.

**Attending were:**

Mike Ammann	Len Augustine	Elaine Crombie	Kay Draisin	Kevin English
Joanie Erickson	Daryl Halls	Dick Hassel	Nancy Huston	Albert Lavezzo
Steve Lessler	John Onsum	Sandy Person	Mike Reagan	Tom Recknagel
Scott Reynolds	Ron Rhea	Michael Segala	Patsy Van Ouwerkerk	
Curt Johnston				

**Absent were:**

Dee Alarcon	Rebecca Brandt	Robert Bloom	Barry Cavanna	Bill Eisenhardt
Kevin Finger	Gerry Fisher	David Garland	Bruce Gondry	Norm Hattich
Steve Huddleston	Bill James	Curt Johansen	Bill Kelly	Gregg McConnell
John Mraz	Elizabeth Patterson		Brooks Pedder	Debra Russo
Robert Simpson	Mike Smith	Sue Vaccaro	Michael Wilson	

**Michael S. Ammann**

President  
mike@solanoedc.org

**Sandy Person**

Vice-President  
sandy@solanoedc.org

**Patricia Uhrich**

Office Manager  
pat@solanoedc.org

**Andy Turba**

Special Projects  
andy@solanoedc.org

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**Fax:**

707.864.6621

**Toll Free:**

888.864.1855

**Website:**

www.solanoedc.org

**APPROVAL OF MINUTES**

Chairman Reynolds called for approval of minutes of the September 25, 2008 meeting. Upon motion duly made (Mike Segala) and seconded (Mike Reagan) it was RESOLVED, that the minutes of the 9/25/2008 meeting of the Solano EDC Board of Directors be accepted as submitted.

**TREASURERS REPORT**

Treasurer Onsum presented the financial report for the month of November 2008. Upon motion duly made (Daryl Halls) and seconded (Len Augustine) it was RESOLVED, that the Treasurer's Report be accepted.

**2009 BOARD OF DIRECTORS NOMINATIONS**

Chairman Reynolds presented the draft 2009 Director's ballot. Upon motion duly made (Al Lavezzo), and seconded (John Onsum), it was RESOLVED, that the 2009 Board of Directors ballot be accepted as presented.

**BOARD RETREAT REVIEW**

Chairman Reynolds presented the summary of notes compiled at the Board retreat held on November 7<sup>th</sup> at Rush Ranch. Discussion included implementing a more rifle approach to prospect targeting, consistent communication with major employers and EDC membership is vital, and emphasis on developing opportunities regarding transportation and infrastructure.

**2009 WORK PLAN**

President Ammann presented the 2009 plan which included recommendations made at the Executive Retreat. The Board further RESOLVED (motion made by Len Augustine and seconded by Al Lavezzo) to change the word "transportation" to "infrastructure" concerning the "Advocacy" component and also to allow for flexibility by removing the previously adopted 10% constraint on staff time and resources. Directors further recommended that communication to all sectors is vital and presentations be made to the Chambers of Commerce, Mayor's conference, service groups, etc.

**X-B-7-3**

### **2009 BUDGET**

Vice-President Person presented the 2009 draft budget. She noted that 2008 was a banner year that included surpassing membership renewal income and achieving new member goals while reducing overall expenses, and a current reserve balance of appx. \$211,000. Given the current economic uncertainties, 2009 reflects a "bare bones" budget with monthly monitoring for adjustments.

Upon motion duly made (Daryl Halls) and seconded (Al Lavezzo) it was RESOLVED, that the 2009 budget be accepted as presented.

### **MEMBERSHIP COMMITTEE**

Vice-President Person reported for committee Chairman Pedder. December included new membership for CPV, Inc. (Competitive Power Ventures) which joined at the \$2,500 level. New member investment for 2008 totaled \$19,500, nearly achieving annual goal of \$20,000.

### **MARKETING TASK FORCE**

Director Draisin presented the 2009 Marketing Plan with three primary goals: To build a brand for Solano County, better position the county to attract business, and individually promote the assets of Solano County cities with greater attention on measured outcomes.

### **TRANSPORTATION UPDATE**

Director Halls provided a "Good, Bad & the Ugly" update on transportation activities and the status of current projects. The Good: the truck lane on Hwy 12 is open and there is \$100 million in capital projects within Solano. The Bad: 80% of STA funding is based on the State budget potentially halting projects that are currently underway including bonded projects such as HOV lanes. Transit is also a big concern because operating funds are dependent on sales tax revenue. The Ugly: Keeping what we have - the biggest concern is transit and its impact to the communities.

### **PRESIDENT'S UPDATE**

President Ammann provided an update on current prospect activity noting that December was very active. CalBIS generated five new projects in December which included energy related, machine tools and office type uses.

Calendar items were discussed. The meeting was adjourned at 10:29 am.

**AGENDA ITEM  
CITY COUNCIL MEETING: FEBRUARY 17, 2009  
COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 11, 2009

**TO** : Mayor Patterson  
Council Member Schwartzman

**FROM** : Dan Schiada, Director of Public Works

**SUBJECT** : **SOLANO TRANSPORTATION AUTHORITY**

The following information is provided for your committee report at the February 17, 2009 City Council meeting.

The agenda for the February meeting of the STA Board follows, along with the January meeting minutes. The next STA Board meeting is on March 11, 2009. The agenda for that meeting is not yet available.



Solano Transportation Authority

One Harbor Center, Suite 130  
Suisun City, California 94585

Area Code 707  
424-6075 • Fax 424-6074

Members:

- Benicia
- Dixon
- Fairfield
- Rio Vista
- Solano County
- Suisun City
- Vacaville
- Vallejo

MEETING NOTICE

Wednesday, February 11, 2009

STA Board Meeting  
Suisun City Hall Council Chambers  
701 Civic Center Drive  
Suisun City, CA 94585

6:00 p.m. Regular Meeting

**MISSION STATEMENT – SOLANO TRANSPORTATION AUTHORITY**  
To improve the quality of life in Solano County by delivering transportation system projects to ensure mobility, travel safety, and economic vitality.

*Times set forth on agenda is an estimate. Items may be heard before or after the times designated.*

	ITEM	BOARD/STAFF PERSON
I.	<b>CALL TO ORDER – CONFIRM QUORUM</b> (6:00 p.m.)	Chair Spering
II.	<b>PLEDGE OF ALLEGIANCE</b>	
III.	<b>APPROVAL OF AGENDA</b>	
IV.	<b>OPPORTUNITY FOR PUBLIC COMMENT</b> (6:00– 6:05 p.m.)	

Pursuant to the Brown Act, public agencies must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. Comments are limited to no more than 3 minutes per speaker. Gov't Code §54954.3(a). By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the agency.

This agenda is available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. §12132) and the Ralph M. Brown Act (Cal. Govt. Code §54954.2). Persons requesting a disability-related modification or accommodation should contact Johanna Masiclat, Clerk of the Board, at (707) 424-6008 during regular business hours, at least 24 hours prior to the time of the meeting.

STA BOARD MEMBERS

Jim Spering Chair County of Solano	Pete Sanchez Vice-Chair City of Suisun City	Elizabeth Patterson City of Benicia	Jack Bachelor, Jr. City of Dixon	Harry Price City of Fairfield	Jan Vick City of Rio Vista	Lon Augustine City of Vacaville	Osby Davis City of Vallejo
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STA BOARD ALTERNATES

Mike Reagan	Mike Segala	Alan Schwartzman	Rick Fuller	Chuck Timm	Ron Jones	Curtis Hunt	Toin Bartec
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The complete STA Board Meeting Packet is available on  
STA's Website at [www.solanolinks.com](http://www.solanolinks.com)

**X-B-8-2**

- V. **EXECUTIVE DIRECTOR'S REPORT** Daryl Halls  
 (6:10 – 6:15 p.m.)  
 Pg. 1
- VI. **COMMENTS FROM CALTRANS, THE METROPOLITAN TRANSPORTATION COMMISSION (MTC), AND STA**  
 (6:15 – 6:35 p.m.)
- A. Caltrans Report: Doanh Nguyen
  - B. MTC Report: Steve Heminger
    - 1. Regional HOT Lanes Network for the Bay Area
  - C. STA Reports: Jayne Bauer
    - 1. Federal Advocacy Trip to Washington D.C.
    - 2. STA Status Reports:
      - A. Projects Janet Adams
      - B. Planning Robert Macaulay
      - C. Transit and Rideshare Elizabeth Richards
- VII. **CONSENT CALENDAR**
- Recommendation:  
*Approve the following consent items in one motion.*  
*(Note: Items under consent calendar may be removed for separate discussion.)*  
 (6:35 – 6:40 p.m.)
- A. **STA Board Meeting Minutes of January 14, 2009** Johanna Masiclat  
Recommendation:  
*Approve STA Board Meeting Minutes of January 14, 2009.*  
 Pg. 5
  - B. **Review TAC Draft Minutes for the Meeting of January 28, 2009** Johanna Masiclat  
Recommendation:  
*Receive and file.*  
 Pg. 13
  - C. **Fiscal Year (FY) 2008-09 Second Quarter Budget Report** Susan Furtado  
Recommendation:  
*Review and file.*  
 Pg. 19
  - D. **2009 Paratransit Coordinating Council (PCC) Work Plan** Judy Leaks  
Recommendation:  
*Approve the 2009 PCC Work Plan as shown on Attachment A.*  
 Pg. 23

- E. **STA's Marketing and Public Input Plan for 2009** Jayne Bauer  
Recommendation:  
*Approve the STA 2009 Marketing Plan.*  
**Pg. 25**
- F. **Regional Measure 2 (RM 2) City of Vacaville Intermodal Station Resolution of Support** Janet Adams  
Recommendation:  
*Approve Resolution No. 2009-02 authorizing the funding allocation for Regional Measure 2 funds from the Metropolitan Transportation Commission to the City of Vacaville for the Solano County Express Bus North Intermodal Facilities – Vacaville Intermodal Station.*  
**Pg. 32**
- G. **Comprehensive Transportation Plan (CTP) Committee Membership** Robert Macaulay  
Recommendation:  
*Appoint Board Member Davis as Chair of the Transit Committee and make other CTP Committee appointments as shown in Attachment B.*  
**Pg. 55**

### VIII. ACTION NON-FINANCIAL ITEMS

- A. **Metropolitan Transportation Commission (MTC) Proposal for Establishment of a Regional High Occupancy Vehicle and High Occupancy Toll (HOV/HOT) Lanes Network** Daryl Halls  
Janet Adams  
Recommendation:  
*Approve the following:*
  1. *Support in concept a Bay Area Regional HOV/HOT Lane Network;*
  2. *Support MTC/BATA as the lead agency for operating a Bay Area Regional HOV/HOT Network;*
  3. *Approve Attachment F as the Solano County HOV/HOT lanes priorities;*
  4. *Support specifying in the enabling legislation STA representation in the governance on the I-80 and I-680 corridors and Steering Committee for the Regional HOT/HOV Lanes Network; and*
  5. *Support specifying in the enabling legislation funding derived from Bay Area Regional HOV/HOT lanes network remain in the corridor from which funds are generated.***(6:40 – 6:50 p.m.)**  
**Pg. 59**

**B. Federal Economic Stimulus Submittal for Transportation in Solano County**

Janet Adams  
Elizabeth Richards

Recommendation:

*Adopt the Federal Economic Stimulus Solano County project lists for transportation and transit as shown on Attachment A and B.*

(6:50 – 7:05 p.m.)

**Pg. 117**

**C. State Route (SR) 113 Major Investment and Corridor Study**

Robert Guerrero

Recommendation:

*Authorize the Executive Director to distribute the attached final draft SR 113 Major Investment and Corridor Study for public comment.*

(7:05 – 7:10 p.m.)

**Pg. 121**

**IX. INFORMATIONAL ITEMS**

**A. SolanoExpress Mid-Year Ridership Report**

(7:10 – 7:20 p.m.)

Informational

**Pg. 123**

Liz Niedziela, STA,  
George Fink, FAST  
Crystal Odum-Ford,  
Vallejo Transit

**B. Summary of SolanoExpress Public Comments for Fiscal Year (FY) 2008-09**

Liz Niedziela

(7:20 – 7:25 p.m.)

Informational

**Pg. 131**

**NO DISCUSSION**

**C. Solano Napa Commuter Information (SNCI) Program Fiscal Year (FY) 2008-09 Mid-Year Report**

Judy Leaks

Informational

**Pg. 139**

**D. Legislative Update**

Jayne Bauer

Informational

**Pg. 143**

**E. State Route (SR) 12 Status Update**

Robert Macaulay

Informational

**Pg. 145**

**F. Comprehensive Transportation Plan (CTP) Update**

Robert Macaulay

Informational

**Pg. 147**

- G. **Solano Napa Travel Demand Model Update**  
Informational  
Pg. 149 Robert Macaulay
- H. **Project Delivery Update**  
Informational  
Pg. 151 Sam Shelton
- I. **Non-motorized (Bicycle and Pedestrian) Routine  
Accommodations Checklist Update**  
Informational  
Pg. 155 Sara Woo
- J. **Funding Opportunities Summary**  
Informational  
Pg. 157 Sara Woo
- K. **STA Board Meeting Schedule for 2009**  
Informational  
Pg. 175 Johanna Masiclat

X. **BOARD MEMBERS COMMENTS**

XI. **ADJOURNMENT**

The next regular meeting of the STA Board is scheduled for **Wednesday, March 11, 2009, 6:00 p.m., Suisun City Hall Council Chambers.**



Solano Transportation Authority

**SOLANO TRANSPORTATION AUTHORITY**  
**Board Minutes for Meeting of**  
**January 14, 2009**

**I. CALL TO ORDER**

Chair Spring called the regular meeting to order at 6:00 p.m. A quorum was confirmed.

**MEMBERS  
PRESENT:**

Jim Spering, Chair	County of Solano
Pete Sanchez, Vice-Chair	City of Suisun City
Elizabeth Patterson	City of Benicia
Jack Batchelor, Jr.	City of Dixon
Harry Price	City of Fairfield
Jan Vick	City of Rio Vista
Len Augustine	City of Vacaville
Tom Bartee (Alternate)	City of Vallejo

**MEMBERS  
ABSENT:**

Osby Davis	City of Vallejo
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**STAFF  
PRESENT:**

Daryl K. Halls	Executive Director
Charles Lamoree	Legal Counsel
Johanna Masiclat	Clerk of the Board
Janet Adams	Deputy Executive Director/Director of Projects
Elizabeth Richards	Director of Transit and Rideshare Services
Susan Furtado	Financial Analyst/Accountant
Liz Niedziela	Transit Manager/Analyst
Robert Guerrero	Senior Planner
Sam Shelton	Project Manager
Sara Woo	Assistant Planner
Kenny Wan	Assistant Project Manager

**ALSO  
PRESENT:**

*In Alphabetical Order by Last Name:*

Jennifer Barton	District Director, Office of Congresswoman Ellen Tauscher
Danny Bernardini	The Reporter
Birgitta Corsello	County of Solano
Royce Cunningham	City of Dixon
Rick Fuller	Vice Mayor, City of Dixon

**X-B-8-7**

Mike Greener	The Daily Republic
George Gwynn, Jr.	Resident, City of Suisun City
James Hsiao	Caltrans District 4
Curtis Hunt	Vice Mayor, City of Vacaville
Dan Kasperson	City of Suisun City
Gus Khouri	Shaw/Yoder, Inc.
Ron Jones	Vice Mayor, City of Rio Vista
Gary Leach	City of Vallejo
Wayne Lewis	City of Fairfield
Rod Moresco	City of Vacaville
Doanh Nguyen	Caltrans District 4

**II. PLEDGE OF ALLEGIANCE**

**III. APPROVAL OF AGENDA**

On a motion by Board Member Augustine, and a second by Board Member Batchelor, the STA Board approved the agenda.

**IV. OPPORTUNITY FOR PUBLIC COMMENT**

George Gwynn commented on the submittal of a project list for the proposed Federal Economic Stimulus Funds.

**V. SWEARING IN OF NEW STA BOARD MEMBERS**

- Vice Mayor Rick Fuller was sworn in as STA's new Board Alternate Member representing the City of Dixon.
- Vice Mayor Ron Jones was sworn in as STA's new Board Alternate Member representing the City of Rio Vista.
- Vice Mayor Curtis Hunt was sworn in as STA's new Board Alternate Member representing the City of Vacaville.

**VI. EXECUTIVE DIRECTOR'S REPORT**

Daryl Halls provided an update on the following topics:

- State Continues to Grapple with Budget Deficit as Bond Funded Projects Candidates for Delay
- Solano County Submits a List of Potential Projects as Candidates for Proposed Federal Economic Stimulus Funds
- STA Gears Up 2009 Legislative Year with Adoption of Platform and Priorities
- New STA Board Alternates Named
- Solano Routes of Regional Significance
- Development of Implementation Plan for Regional Measure 2 Funded Transit Capital Projects

**VI. COMMENTS FROM METROPOLITAN TRANSPORTATION COMMISSION (MTC), CALTRANS, AND STAFF:**

**A. Caltrans Report:**

Doanh Nguyen, Project Manager, Caltrans District 4 reported on the rehabilitation of the Ryar Island, Rehabilitation Projects on SR 12, and the State Budget impact on ongoing contracts for bond-funded construction projects.

**B. MTC Report:**

Chair Sperring reported on the funding risks to transportation projects due to suspension of Proposition 1B Bond Funds. He added that the suspension freezes \$1 billion in bond funds for over 90 projects in the Bay Area.

Janet Adams reported that at a meeting earlier that day, the California Transportation Commission (CTC) announced that \$190 million in transportation funding from Proposition 1B has been allocated to 16 projects. She continued by saying that the allocations are contingent upon passage of the 2008-09 State Budget, and depending on the budget's handling of transportation funds, some of the allocations could be withdrawn.

**C. STA Reports:**

1. State Legislative Report by Shaw/Yoder, Inc.'s Gus Khouri
2. STA Highlights of 2008 by Daryl Halls
3. Marketing and Public Input Plan for 2009 by Jayne Bauer
4. STA Status Reports:
  - A. Projects by Janet Adams
  - B. Planning by Robert Guerrero
  - C. Transit and Rideshare by Elizabeth Richards

**VIII. CONSENT CALENDAR**

On a motion by Board Member Augustine, and a second by Board Member Price, the STA Board approved Consent Calendar Items A thru K.

**A. STA Board Meeting Minutes of December 10, 2008**

Recommendation:

Approve STA Board Meeting Minutes of December 10, 2008.

**B. Review TAC Draft Minutes for the Meeting of December 17, 2008**

Recommendation:

Receive and file.

**C. Renewal of Membership with Solano Economic Development Corporation (EDC) for 2009**

Recommendation:

Approve the following:

1. Renewal of STA's membership with the Solano Economic Development Corporation (Solano EDC) at the Board Member-Investor level of \$5,000 for the Annual Investment Year 2009; and
2. Direct staff to agendize for Board consideration STA's membership in Solano EDC prior to the annual renewal for 2010.

**X-B-8-9**

- D. Fiscal Year (FY) 2008-09 First Quarter Budget Report**  
Recommendation:  
Review and file.
- E. New Copier Lease**  
Recommendation:  
Authorize the Executive Director to sign a three-year copier lease with Ricoh Business Solutions for an amount not to exceed \$28,000 annually.
- F. East Fairfield and Vacaville Community Based Transportation Plans (CBTP) Request for Proposals (RFP)**  
Recommendation:  
Approve the following:  
  1. Authorize the Executive Director to release a RFP for consultant services to complete CBTP's for East Fairfield and Vacaville; and.
  2. Authorize the Executive Director to enter into an agreement to complete the Fairfield and Vacaville Community Based Transportation Plans for an amount not to exceed \$120,000.
- G. DKS Associates Contract Amendment for Transit Consolidation Study**  
Recommendation:  
Authorize the Executive Director to amend the consultant contract with DKS Associates with a contract term extension until June 30, 2009 for the purpose of completing Phase II of the Transit Consolidation Study.
- H. DKS Contract for Revisions to the Solano-Napa Traffic Model**  
Recommendation:  
Authorize the Executive Director to enter into a contract with the DKS Associates for revisions to the Napa-Solano Travel Demand Model in the amount of \$24,960.
- I. Regional Transportation Impact Fee (RTIF) Feasibility Study and Nexus Study Update**  
Recommendation:  
Approve the STA's Regional Transportation Impact Fee Feasibility Study and Executive Summary.
- J. North Connector Project Implementation**  
Recommendation:  
Approve the attached Resolution 2009-01 and Funding Allocation Request from Metropolitan Transportation Commission (MTC) for \$18.2 million for construction of the East End - North Connector Project.
- K. STA Board Meeting Schedule for 2009**  
Recommendation:  
Adopt the STA Board Meeting Schedule for 2009.

**IX. ACTION – NON-FINANCIAL ITEMS**

**A. Regional Measure 2 (RM 2) Implementation Plan**

Janet Adams commented that staff will be seeking to develop an Implementation Plan with the partnership of the local project sponsors to insure the Board that the fully funded projects continue to move forward to construction and under funded projects are scoped appropriately. She also stated that as part of the development of the Implementation Plan, a consideration of overall countywide benefit of the project, deliverability of the proposed project or phase of the project, recipients commitment to deliver the project, reality of funding for any outstanding funding needs of the project, safety of the improvements, and transit and pedestrian access will all be considered.

**Public Comments:**

None presented.

**Board Comments:**

Board Member Patterson, City of Benicia, declared she had a potential conflict and could not vote on this item.

**Recommendation:**

Direct staff to develop an implementation plan for RM 2 Funded Intermodal Transit Facilities in partnership with the implementing agencies.

On a motion by Board Member Batchelor, and a second by Board Member Patterson, the STA Board approved the recommendation. Board Member Patterson, City of Benicia, declared she had a potential conflict of interest therefore did not vote on this item.

**B. Federal Economic Stimulus Submittal for Transportation in Solano County**

Janet Adams reviewed the Federal Stimulus Project Submittal for Solano County. She specified that once a more defined framework of the federal bill exists, the STA will need to quickly adopt a priority for these projects. She added that the prioritization process will begin at the January 28, 2009 meeting of the STA's Technical Advisory Committee (TAC).

**Board Comments:**

Board Member Batchelor stated that the City of Dixon recently submitted a letter requesting to add enhancement projects (West B St. Pedestrian Undercrossing and Parkway Blvd. Overcrossing) to the Federal Economic Stimulus submittal for Solano County.

**Public Comments:**

None presented.

**Recommendation:**

Adopt the Federal Economic Stimulus Solano County project list for transportation as shown on Attachment A.

On a motion by Board Member Price, and a second by Board Member Batchelor, the STA Board approved the recommendation.

**X-B-8-11**

- C. Solano Routes of Regional Significance**  
Robert Guerrero reviewed the 2008 Routes of Regional Significance Map and Routes of Regional Significance Roadway Segments. He stated that the City of Dixon recently submitted a letter requesting to add Parkway Blvd. to the Routes of Regional Significance. He cited that the Arterials, Highways, and Freeways Committee reviewed and recommended to approve the revised Solano Routes of Regional Significance and Roadway Segments.

**Board Comments:**

None presented.

**Public Comments:**

None presented.

**Recommendation:**

Approve the revised Solano Routes of Regional Significance as shown in Attachments C and D.

On a motion by Board Member Batchelor, and a second by Board Member Jan Vick, the STA Board approved the recommendation to include request made by the City of Dixon.

- D. STA's 2009 Final Legislative Priorities and Platform and Legislative Update**  
Jayne Bauer provided a report on the Final 2009 STA Legislative Priorities and Platform, STA Federal New Authorization Policies, Federal Economic Stimulus, and State and Federal Legislative Lobbying. She added that key additions to the 2009 platform included an update of federal funding priorities and a renamed section, "Climate Change/Air Quality" to focus on climate change issues and policies pertaining to Senate Bill (SB) 375.

**Board Comments:**

Chair Sperring stated that he hopes the Board would agree to support fundamental changes needed to be made to the current federal authorization process and the need to streamline the process and reduce the number of funding categories. He urged the Board to take a position on a new authorization bill for transportation.

Board Member Patterson requested more time to review the Federal New Authorization Policies.

Daryl Halls requested direction and feedback from the Board to help staff produce the federal booklet in time for the STA's Federal Advocacy trip to Washington, D.C. in February. Chair Sperring stated that the new authorization is perceived as new and should be presented to Congress in that manner during their trip.

**Public Comments:**

George Gwynn commented on the 55% voter threshold for county transportation infrastructure measures in STA's 2009 Final Legislative Priorities and Platform.

Curtis Hunt addressed the Board and indicated his support to the STA Federal New Authorization priorities.

**X-B-8-12**

Recommendation:

Approve the following:

1. STA's Final 2009 Legislative Priorities and Platform; and
2. STA Federal New Authorization Policies.

On a motion by Board Member Price, and a second by Board Member Sanchez, the STA Board approved the recommendation.

**E. Appointment of STA Representative and Alternate to the Capitol Corridor Joint Powers Board (CCJPB)**

Chair Spering requested the STA Board appoint a representative and alternate member to the CCJPB. He cited that with the departure of Mary Ann Courville from the Dixon City Council in December, the STA vacancy needs to be filled on the CCJPB. He commented that Mayors Augustine and Batchelor have indicated their interest in serving on the CCJPB.

**Public Comments:**

None presented.

**Board Comments:**

None presented.

Recommendation:

Appoint a representative to the Capitol Corridor Joint Powers Board effective immediately and, if necessary, appoint an alternate member.

On a motion by Board Member Batchelor, and a second by Board Member Price, the STA Board appointed Len Augustine as representative to the Capitol Corridor Joint Powers Board and Jack Batchelor as the alternate member.

**X. INFORMATIONAL ITEMS – NO DISCUSSION**

- A. STA's Marketing and Public Input Plan for 2009
- B. Climate Change Status
- C. Solano Modeling TAC Appointments
- D. Unmet Transit Needs Public Hearing for Fiscal Year (FY) 2009-10
- E. Project Delivery Update
- F. State Route (SR) 12 Jameson Canyon Road Bicycle and Pedestrian Connections Plan Update
- G. Funding Opportunities Summary

**XI. BOARD MEMBER COMMENTS**

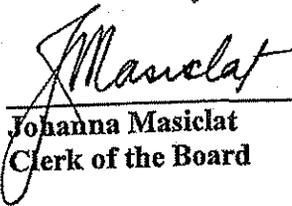
None presented.

**X-B-8-13**

**XII. ADJOURNMENT**

The STA Board meeting was adjourned at 7:30 p.m. The next regular meeting of the STA Board is scheduled for **Wednesday, February 11, 2009, 6:00 p.m., Suisun City Hall Council Chambers.**

Attested by:

  
\_\_\_\_\_  
Johanna Masiclat  
Clerk of the Board

\_\_\_\_\_  
Date 2/3/09

**AGENDA ITEM**  
**CITY COUNCIL MEETING: FEBRUARY 17, 2009**  
**COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 11, 2009

**TO** : Mayor Patterson  
Vice Mayor Campbell

**FROM** : Dan Schiada, Director of Public Works

**SUBJECT** : SOLANO WATER AUTHORITY

The following information is provided for your committee report at the February 17, 2009 City Council meeting.

The agenda for the February Solano Water Authority (SWA) Board of Directors meeting follows, along with the January meeting minutes. The next SWA meeting is March 12, 2009. The agenda for that meeting is not yet available.

The SWA also has a newly formed Delta Committee that typically meets each month directly before the regular SWA meeting. The agenda for the February meeting is included.

# SOLANO COUNTY WATER AGENCY



## BOARD OF DIRECTORS MEETING

**DATE:** Thursday, December 11, 2008

**TIME:** 7:00 p.m.

**PLACE:** Solano Irrigation District  
508 Elmira Road  
Vacaville

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT

Limited to 5 minutes for any one item not scheduled on the Agenda.

5. CONSENT ITEMS

- (A) Minutes: Approval of the Minutes of the Board of Directors meeting of November 13, 2008 is recommended.
- (B) Expenditure Approvals: Approval of the November checking account register and list of checks \$500 and over to be paid is recommended.
- (C) Flood Control Advisory Committee Re-appointments: Re-appointment of Paul Lum, Charles Karnopp and Delbert Berg to the Flood Control Advisory Committee is recommended.
- (D) Lower Putah Creek Coordinating Committee Appointments: Re-appointment of current Solano members to the Lower Putah Creek Coordinating Committee for 2008 is recommended.

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Elmira, California 95625-0349  
Phone (707) 451-6090 • FAX (707) 451-6099  
www.scwa2.com



**X-B-9-2**

- (E) Pleasants Creek Sediment Load Reduction Project: Authorization to adopt Resolution No. 2008-5 authorizing an agreement with the State of California for Proposition 50 grant funding for the Pleasants Creek Sediment Load Reduction Project on behalf of the Lower Putah Creek Coordinating Committee is recommended.
- (F) California River Parkways Grant: Authorization to adopt Resolution No. 2008-6 authorizing an agreement with the State of California for Proposition 84 grant funding for the Winters Putah Creek Park project on behalf of the Lower Putah Creek Coordinating Committee is recommended.
- (G) Amendment No. 4 to Agreement with Luhdorff & Scalmanini Consulting Engineers: Authorization for Chairman to execute amendment No. 4 to the agreement with Luhdorff & Scalmanini Consulting Engineers (LSCE) for tasks regarding implementation of additional groundwater analysis is recommended. Cost of amendment is \$201,480, an increase from \$2,065,149 to \$2,266,629.
- (H) Ulatris Flood Control Project- Emergency Channel Scour Maintenance: Adoption of a finding that a bridge scour repair project on the Ulatris Channel as an emergency project is recommended
- (I) State Water Project Tolling Agreement: Authorization for Chairman to execute an amendment to the Tolling Agreement with the California Department of Water Resources regarding State Water Project charges to include 2009 charges is recommended.
- (J) Bay Area Water Forum: Approval of a contribution of \$1,000 to the Bay Area Water Forum is recommended.

6. **BOARD MEMBER REPORTS**

RECOMMENDATION: For information only.

7. **GENERAL MANAGER'S REPORT**

RECOMMENDATION: For information only.

**8. DELTA HABITAT CONSERVATION AND CONVEYANCE PROGRAM**

**RECOMMENDATIONS:**

1. Authorize Chairman to execute an Agreement for Funding between the Department of Water Resources and the Solano County Water Agency for the Cost of Environmental Analysis, Planning and Design of Delta Conservation Measures, Including Delta Conveyance Options. Cost is \$896,000 over three years.
2. Authorize Chairman to execute a Delta Specific Project Committee Specific Project Agreement of the State Water Project Contractors' Authority.

**9. LEGISLATIVE ADVOCACY**

RECOMMENDATION: Hear presentation from the Gualco Group on the upcoming legislative session and authorize Chairman to execute an agreement with the Gualco Group for continued legislative advocacy. Two year contract amount is \$160,000.

**10. DELTA COMMITTEE REPORT**

RECOMMENDATION: Hear report from SCWA Delta Committee who will be meeting prior to SCWA Board meeting. Provide direction to staff as needed.

**11. SCWA AUDIT**

RECOMMENDATION: Accept fiscal year 2007-2008 audit and staff responses to management letter.

**12. NOMINATING COMMITTEE FOR 2009 OFFICERS**

RECOMMENDATION: Chairman to appoint a nominating committee for Officers for 2009.

**13. TIME AND PLACE OF NEXT MEETING**

Thursday, January 8, 2009 at 7:00 pm at the Solano Irrigation District offices.

***The Full Board of Directors packet with background materials for each agenda item can be viewed on the Agency's website at [www.scwa2.com](http://www.scwa2.com).***

Dec.2008.bod.agd

Any materials related to items on this agenda distributed to the Board of Directors of Solano County Water Agency less than 72 hours before the public meeting are available for public inspection at the Agency's offices located at the following address: 6040 Vaca Station Road, Building #84, Elmira, CA 95625. These materials are also available on the Agency's website at [www.scwa2.com/boardmeetings.html](http://www.scwa2.com/boardmeetings.html). Upon request, these materials may be made available in an alternative format to persons with disabilities.

**X-B-9-4**

**SOLANO COUNTY WATER AGENCY  
BOARD OF DIRECTORS MEETING MINUTES**

**MEETING DATE: November 13, 2008**

The Solano County Water Agency Board of Directors met this evening at the Solano Irrigation District. Present were:

Mayor Elizabeth Patterson, City of Benicia  
Mayor Len Augustine, City of Vacaville  
Mayor Mary Ann Courville, City of Dixon  
Councilmember Chuck Timm, City of Fairfield  
Councilmember Jan Vick, City of Rio Vista  
Councilmember Sam Derting, City of Suisun City  
Supervisor Barbara Kondylis, Solano County District 1  
Supervisor Jim Spering, Solano County District 3  
Supervisor John Vasquez, Solano County District 4  
Supervisor Mike Reagan, Solano County District 5  
Director Everett Whiting, Reclamation District 2068  
Director Bob Bishop, Solano Irrigation District  
Manager Don Holdener, Maine Prairie Water District

**CALL TO ORDER**

The meeting was called to order at 7:00 pm by Vice-Chairman Don Holdener.

**APPROVAL OF AGENDA**

On a motion by Supervisor Kondylis and a second by Supervisor Spering, the Board unanimously approved the agenda.

**PUBLIC COMMENT**

No public comment was received.

**CONSENT ITEMS**

On a motion by Supervisor Kondylis and a second by Supervisor Spering the Board unanimously approved the following consent items, including the addendum to agenda item (B), Additional Expenditure Approvals:

- (A) Minutes
- (B) Expenditure Approvals
- (C) Appropriation Adjustment
- (D) Amendment No. 4 to the Agreement with TRG & Associates
- (E) NBA Water Quality Research Facility Grant
- (F) Agreement with West Yost and Associates for the Construction of a Test Conjunctive Use Groundwater Well

**BOARD MEMBER REPORTS**

No reports were given.

**X-B-9-5**

### GENERAL MANAGERS REPORT

In addition to the written report, General Manager Okita informed the Board on recent successes in securing grant funding for Water Agency projects. Prop 84 grant funding in the amount of \$4.5M for planning and design assistance of our North Bay Aqueduct Alternate Intake Project is being expedited and should be received before March 1, 2009. The Lower Putah Creek Coordinating Committee has just been awarded another State grant for an amount of \$970,000 for invasive weed control, bank stabilization, and water quality improvements in Pleasants Creek, a tributary to Lake Solano.

### WATER CONSERVATION LEGISLATION

General Manager Okita presented the Board with an outline for a water conservation bill that can be advocated by the Water Agency. The outline supports the widely accepted California Urban Water Conservation Council Best Management Practices as a baseline and with “locally cost effective” considerations. The Board provided comments for incorporation into the outline and directed staff and our legislative advocate to proceed in seeking an author.

### DELTA REPORT

General Manager Okita updated the Board on discussions regarding habitat conversions projects in the Cache Slough complex and Bay-Delta Conservation Plan (BDCP). Mandates from the recent Wanger decision regarding export pumping from the Delta and new biological opinion require the exporters to implement some mitigation projects to improve delta smelt habitat immediately, ahead of the BDCP process. Staff must engage the proponents of these early projects to protect the Water Agency and County interests. Yolo County will also have a stake in these negotiations.

A draft summary of Solano Delta Specific Positions list was distributed for consideration. The list provides an outline for the basis of our negotiating points for these immediate and future discussions on Delta water facilities and habitat conversions. On a motion by Supervisor Reagan and a second by Supervisor Vasquez, the Board unanimously directed staff to pursue discussion with Yolo County, initiate political involvement, and for Agency legal counsel to prepare in the event that negotiations are not favorable.

### SCWA FLOOD HAZARD WARNING PROGRAM

General Manager Okita gave a demonstration of how to access the Agency’s real time rainfall and creek elevation web posting and public flood hazard awareness program web page.

Chris Rose of the Solano Resource Conservation District informed the Board about his District’s involvement with the Agency to raise flood awareness, including a Flood Awareness Manual currently being distributed.

### TIME AND PLACE OF NEXT MEETING

Thursday, December 11, 2008 at 7:00 p.m. at the Solano Irrigation District offices.

### ADJOURNMENT

This meeting of the Solano County Water Agency Board of Directors was adjourned at 8:25 p.m.

\_\_\_\_\_  
David B. Okita, General Manager  
and Secretary to the Board of Directors of the  
Solano County Water Agency

# SOLANO COUNTY WATER AGENCY



## SCWA BOARD OF DIRECTORS DELTA COMMITTEE

**DATE:** Thursday, January 8, 2009

**TIME:** 6:00 p.m. – 7:00 p.m. (prior to SCWA Board meeting)

**PLACE:** Solano Irrigation District Board Room  
508 Elmira Road  
Vacaville

**MEMBERS:** Supervisor Reagan, Supervisor Kondylis, Mike Hardesty, Mayor Vick, Mayor Patterson, and Mayor Augustine.

1. Bay Delta Conservation Plan - Draft Conservation Strategy  
[http://resources.ca.gov/bdcp/docs/12.19.08\\_HO\\_BDCP-Overview\\_of\\_Conservation\\_Strategy\\_With\\_Core\\_Elements.pdf](http://resources.ca.gov/bdcp/docs/12.19.08_HO_BDCP-Overview_of_Conservation_Strategy_With_Core_Elements.pdf)
2. Water Bond and other Delta Legislation
3. Updates
  - a. Lower Yolo Bypass Planning Forum
  - b. Five County meetings with State
  - c. Yolo/Solano meetings
4. Set Next Meeting (March - February CCCC meeting likely)

If you have any questions contact David Okita at 455-1103.

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[www.scwa2.com](http://www.scwa2.com)





**AGENDA ITEM**  
**CITY COUNCIL MEETING: FEBRUARY 17, 2009**  
**COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 2, 2009

**TO** : Vice Mayor Campbell  
Council Member Hughes

**FROM** : Dan Schiada, Public Works Director

**SUBJECT** : **TRAFFIC, PEDESTRIAN AND BICYCLE SAFETY (TPBS)**  
**COMMITTEE**

The following information is provided for your committee report at the February 17, 2009 Council meeting.

The Traffic, Pedestrian and Bicycle Safety (TPBS) Committee meets quarterly at 7:00 p.m. in the Commission Room at City Hall.

The January 15 TPBS meeting was cancelled. The next scheduled meeting is April 16, 2009. That meeting agenda is in progress.



**AGENDA ITEM**  
**CITY COUNCIL MEETING: FEBRUARY 17, 2009**  
**COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 10, 2009

**TO** : Vice Mayor Campbell  
Council Member Hughes

**FROM** : City Manager

**SUBJECT** : **TRI-CITY AND COUNTY COOPERATIVE PLANNING GROUP**

The following information is provided for your committee report at the February 17, 2009 Council meeting.

The next meeting of the Tri-City and County Citizens Advisory Committee (CAC) is scheduled for Wednesday, February 18, 2009 at 7:00 p.m. on Mare Island in Vallejo. A final meeting agenda packet for that meeting is unavailable at this time. Possible agenda items for this meeting include a discussion of the power plant and switching station proposal, which affects Solano County and the City of Fairfield. The meeting will also have a presentation from Greater Vallejo Regional Parks District (GVRD) regarding their master plan. The City of Fairfield is tentatively scheduled to present an introduction and overview of their park operations and facilities. The CAC will discuss the upcoming annual Spring Event and the Solano Land Trust is scheduled to give an update on their activities.

No materials have been available yet for the power plant and switching station project. Materials will likely become available on the day of the meeting.

The next meeting of the Governing Board is scheduled for Monday, March 9, 2009. The location of the meeting has not yet been determined. A final meeting agenda packet for that meeting is unavailable at this time.

City staff is trying to coordinate a meeting between the Governing Board and Mike Alvarez, Parks and Community Services Director. The goal of this presentation would be a discussion of Benicia's park planning goals and policies. This presentation may occur at a future Governing Board meeting, but not the March meeting. Once the Governing Board decides when they want a presentation, City staff will coordinate all the details with Mr. Alvarez.



**AGENDA ITEM**  
**CITY COUNCIL MEETING: FEBRUARY 17, 2009**  
**COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 17, 2009  
**TO** : Council Member Hughes  
**FROM** : Steve Vucurevich, Fire Chief  
**SUBJECT** : **VALERO COMMUNITY ADVISORY PANEL (CAP)**

The following information is provided for your committee report at the February 17, 2009 Council meeting.

The CAP meets quarterly at 6:30 p.m. at the refinery at 610 Industrial Way. The last CAP meeting date was January 29, 2009. The next meeting date has not yet been set.



**AGENDA ITEM**  
**CITY COUNCIL MEETING: FEBRUARY 17, 2009**  
**COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 11, 2009

**TO** : Mayor Patterson  
Council Member Mike Ioakimedes  
Council Member Schwartzman

**FROM** : Youth Action Coalition

**SUBJECT** : **YOUTH ACTION COALITION**

The following information is provided for your committee report at the February 17, 2009 City Council meeting.

The next meeting of the Youth Action Coalition is Wednesday, February 25, 2009 at 3:30 p.m. in the Commission Room at City Hall. The agenda is not yet available.



**AGENDA ITEM**  
**CITY COUNCIL MEETING: FEBRUARY 17, 2009**  
**COUNCIL MEMBER COMMITTEE REPORTS**

**DATE** : February 11, 2009  
**TO** : City Council  
**FROM** : Mayor Patterson  
**SUBJECT** : **ABAG/CAL FED TASK FORCE/BAY AREA WATER FORUM**

The following information is provided for your committee report at the February 17, 2009 City Council meeting.

The next meeting of the Water Forum is scheduled for February 23, 2009. An agenda for that meeting is not yet available.