



CITY OF ATASCADERO CITY COUNCIL

AGENDA

Tuesday, September 24, 2019

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California
(Entrance on Lewis Ave.)**

City Council Regular Session:

6:00 P.M.

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

PLEDGE OF ALLEGIANCE: Council Member Fonzi

ROLL CALL:
Mayor Moreno
Mayor Pro Tem Bourbeau
Council Member Fonzi
Council Member Funk
Council Member Newsom

APPROVAL OF AGENDA: Roll Call

Recommendation: Council:

1. Approve this agenda; and
2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

PRESENTATIONS: None.

A. CONSENT CALENDAR: (All items on the consent calendar are considered to be routine and non-controversial by City staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the Consent Calendar and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken.)

1. City Council Draft Action Minutes – September 10, 2019

- Recommendation: Council approve the September 10, 2019 Draft City Council Meeting Minutes. [City Clerk]

2. August 2019 Accounts Payable and Payroll

- Fiscal Impact: \$4,335,017.45
- Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for August 2019. [Administrative Services]

3. Goals and Policies for the use of the Mello-Roos Community Facilities Act of 1982

- Fiscal Impact: None.
- Recommendation: Council adopt Draft Resolution adopting a statement of Goals and Policies for the use of the Mello-Roos Community Facilities Act of 1982. [Community Development]

4. Measure F-14 2020 Pavement Rehabilitation Project Design Engineering Services Contract

- Fiscal Impact: \$2,650,000.00
- Recommendation: Council authorize the City Manager to execute a contract for \$210,640 with Rick Engineering Company to provide design engineering services for the Measure F-14 2020 Pavement Rehabilitation Project (Project No. C2019R02). [Public Works]

5. Parcel Map AT 17-0088 (La Plaza)

- Fiscal Impact: None.
- Recommendations: Council:
 1. Approve Parcel Map AT 17-0088, including abandonment of public right-of-way as shown on said map, and associated Subdivision Improvement Agreement.
 2. Authorize the City Manager to execute the Subdivision Improvement Agreement for Parcel Map AT 17-0088 on behalf of the City Council. [Public Works]

UPDATES FROM THE CITY MANAGER: (The City Manager will give an oral report on any current issues of concern to the City Council.)

COMMUNITY FORUM: (This portion of the meeting is reserved for persons wanting to address the Council on any matter not on this agenda and over which the Council has jurisdiction. Speakers are limited to three minutes. Please state your name for the record before making your presentation. Comments made during Community Forum will not be a subject of discussion. A maximum of 30 minutes will be allowed for Community Forum, unless changed by the Council. Any members of the public who have questions or need information may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at (805) 470-3400, or cityclerk@atascadero.org.)

B. PUBLIC HEARINGS:

1. Consider an Ordinance to Amend Title 7 – “Public Works”, Chapter 2 - “Definitions”, Chapter 4 – “Permits and Connections Fees”, and Chapter 9 – “Sewer Facilities Account” Pertaining to Wastewater and Adopting a Resolution Setting Sewer Capacity Charges

- Ex-Parte Communications:

- Fiscal Impact: Adopting the Draft Ordinance and Draft Resolution will have a significant positive fiscal impact to the Wastewater Fund.
- Recommendations: Council:
 1. Conduct a public hearing to receive all written and verbal testimony regarding the Draft Ordinance and Proposed Sewer Capacity Charges.
 2. Introduce, for first reading by title only, Draft Ordinance amending Title 7 – “Public Works”, Chapter 2 - “Definitions”, Chapter 4 – “Permits and Connections Fees”, and Chapter 9 – “Sewer Facilities Account” pertaining to Wastewater.
 3. Adopt Draft Resolution setting Sewer Capacity Charges for the Wastewater Division. [Public Works]

C. MANAGEMENT REPORTS:

1. Drive-Through Businesses (CPP19-0082)

- Fiscal Impact: Updating the zoning code related to Drive-Through Businesses is expected to take a significant amount of staff time. Staff is estimating approximately 200 hours in staff time, plus an additional \$2,000 in expenses for public meeting noticing and support.
- Recommendation: Council discuss drive-through businesses and the City’s existing Municipal Code that regulates them and provide direction to staff on whether an update to the Municipal Code or other action addressing drive-through businesses is necessary.[Community Development]

2. Implementation of the Compliance Engine Inspection Tracking System Program

- Fiscal Impact: None.
- Recommendations: Council adopt Draft Resolution authorizing staff to enter into a contract with Brycer, LLC, to implement “The Compliance Engine”, a records management system that increases the compliance of life safety building inspections, providing for increased safety for the public and fire personnel. [Fire Development]

D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS: (On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. The following represent standing committees. Informative status reports will be given, as felt necessary):

Mayor Moreno

1. City Selection Committee
2. County Mayors Round Table
3. Economic Vitality Corporation, Board of Directors (EVC)
4. SLO Council of Governments (SLOCOG)
5. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Bourbeau

1. City / Schools Committee
2. City of Atascadero Finance Committee
3. Integrated Waste Management Authority (IWMA)
4. SLO County Water Resources Advisory Committee (WRAC)

Council Member Fonzi

1. Air Pollution Control District
2. Atascadero Basin Ground Water Sustainability Agency (GSA)
3. City of Atascadero Design Review Committee
4. SLO Local Agency Formation Commission (LAFCo)

Council Member Funk

1. City of Atascadero Finance Committee
2. Homeless Services Oversight Council
3. League of California Cities – Council Liaison

Council Member Newsom

1. California Joint Powers Insurance Authority (CJPIA) Board
2. City / Schools Committee
3. City of Atascadero Design Review Committee
4. Visit SLO CAL Advisory Committee

- E. INDIVIDUAL DETERMINATION AND / OR ACTION:** (Council Members may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The Council may take action on items listed on the Agenda.)

1. City Council
2. City Clerk
3. City Treasurer
4. City Attorney
5. City Manager

F. ADJOURN TO MEETING OF THE SUCCESSOR AGENCY

Please note: Should anyone challenge any proposed development entitlement listed on this Agenda in court, that person may be limited to raising those issues addressed at the public hearing described in this notice, or in written correspondence delivered to the City Council at or prior to this public hearing. Correspondence submitted at this public hearing will be distributed to the Council and available for review in the City Clerk's office.

City of Atascadero

WELCOME TO THE ATASCADERO CITY COUNCIL MEETING

The City Council meets in regular session on the second and fourth Tuesday of each month at 6:00 p.m. Council meetings will be held at the City Hall Council Chambers, 6500 Palma Avenue, Atascadero. Matters are considered by the Council in the order of the printed Agenda. Regular Council meetings are televised live, audio recorded and videotaped for future playback. Charter Communication customers may view the meetings on Charter Cable Channel 20 or via the City's website at www.atascadero.org. Meetings are also broadcast on radio station KPRL AM 1230. Contact the City Clerk for more information at cityclerk@atascadero.org or (805) 470-3400.

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection during City Hall business hours at the Front Counter of City Hall, 6500 Palma Avenue, Atascadero, and on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are either read into the record or referred to in their statement will be noted in the minutes and available for review in the City Clerk's office.

In compliance with the Americans with Disabilities Act, **if you need special assistance to participate in a City meeting or other services offered by this City**, please contact the City Manager's Office or the City Clerk's Office, both at (805) 470-3400. Notification at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

TO SPEAK ON SUBJECTS NOT LISTED ON THE AGENDA

Under Agenda item, "COMMUNITY FORUM", the Mayor will call for anyone from the audience having business with the Council to approach the lectern and be recognized.

1. Give your name for the record (not required)
2. State the nature of your business.
3. All comments are limited to 3 minutes.
4. All comments should be made to the Mayor and Council.
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present

This is the time items not on the Agenda may be brought to the Council's attention. A maximum of 30 minutes will be allowed for Community Forum (unless changed by the Council). If you wish to use a computer presentation to support your comments, you must notify the City Clerk's office at least 24 hours prior to the meeting. Digital presentations must be brought to the meeting on a USB drive or CD. You are required to submit to the City Clerk a printed copy of your presentation for the record. Please check in with the City Clerk before the meeting begins to announce your presence and turn in the printed copy.

TO SPEAK ON AGENDA ITEMS (from Title 2, Chapter 1 of the Atascadero Municipal Code)

Members of the audience may speak on any item on the agenda. The Mayor will identify the subject, staff will give their report, and the Council will ask questions of staff. The Mayor will announce when the public comment period is open and will request anyone interested to address the Council regarding the matter being considered to step up to the lectern. If you wish to speak for, against or comment in any way:

1. You must approach the lectern and be recognized by the Mayor
2. Give your name (not required)
3. Make your statement
4. All comments should be made to the Mayor and Council
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present
6. All comments limited to 3 minutes

The Mayor will announce when the public comment period is closed, and thereafter, no further public comments will be heard by the Council.



CITY OF ATASCADERO CITY COUNCIL

DRAFT MINUTES

Tuesday, September 10, 2019

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California
(Entrance on Lewis Ave.)**

City Council Regular Session:

6:00 P.M.

**Successor Agency to the Community
Redevelopment Agency of Atascadero:**

**Immediately following
conclusion of the City
Council Regular Session**

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

Mayor Moreno called the meeting to order at 6:03 p.m. and Council Member Funk led the Pledge of Allegiance.

ROLL CALL:

Present: Council Members Fonzi, Funk, Mayor Pro Tem Bourbeau and Mayor Moreno

Absent: Council Member Newsom

Staff Present: City Manager Rachelle Rickard, Administrative Services Director Jeri Rangel, Public Works Director Nick DeBar, Police Chief Jerel Haley, Community Development Director Phil Dunsmore, Fire Chief Casey Bryson, City Attorney Brian Pierik Deputy City Manager/City Clerk Lara Christensen and Senior Planner Kelly Gleason

APPROVAL OF AGENDA:

MOTION: By Council Member Fonzi and seconded by Mayor Pro Tem Bourbeau to:
1. Approve this agenda; and,

2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

Motion passed 4:0 by a roll-call vote. Newsom ABSENT.

PRESENTATION:

1. **Pledge to Make a Smart Commute Choice During Rideshare Week, October 7-11, 2019**

Peter Williamson of SLOCOG presented to the Council.

A. CONSENT CALENDAR:

1. **City Council Draft Action Minutes – August 13, 2019**

- Recommendation: Council approve the August 13, 2019 Draft City Council Meeting Minutes. [City Clerk]

2. **July 2019 Accounts Payable and Payroll**

- Fiscal Impact: \$5,453,235.83
- Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for July 2019. [Administrative Services]

3. **Emergency Shelter Overlay Zone Update ZCH19-0060 (El Camino Homeless Organization)**

- Fiscal Impact: None.
- Recommendation: Council adopt on second reading, by title only, Draft Ordinance A approving amendments to Atascadero Municipal Code Title 9 Chapter 3 Article 23 ES (Emergency Shelter) Overlay Zone text, based on findings. [Community Development]

4. **Property Acquisition for Via Avenue Bridge Replacement Project**

- Fiscal Impact: The total compensation to be paid is \$51,400. The HBRRP grant will cover approximately 88.5% (\$45,489) of the project costs with the remaining 11.5% (\$5,911) local share funded through Local Transportation Funds.
- Recommendation: Council adopt Draft Resolution approving compensation payments and Right-of-way Agreements for property acquisitions located at APNs 028-201-005, 028-341-008, 028-341-018, and 028-341-021 for the Via Avenue Bridge Replacement Project. [Public Works]

5. **Formation of Battalion Chief Position & Technical Support Specialist II Position**

- Fiscal Impact: The creation of the Battalion Chiefs positions is estimated to cost \$113,000 per year in budgeted funds. The creation of the Technical Support Specialist II position is estimated to cost \$76,000 in budgeted funds.
- Recommendations: Council:
 1. Authorize the City Manager to establish a new Battalion Chief position.

2. Authorize the City Manager to establish a new Technical Support Specialist II position.
3. Amend the fiscal year 2019-2020 monthly salary schedule to include the Battalion Chief position & the Technical Support Specialist II positions as follows:

CLASSIFICATION	STEP A	STEP B	STEP C	STEP D	STEP E
Battalion Chief	\$8,074.07	\$8,477.77	\$8,901.66	\$9,346.74	\$9,814.08
Technical Support Specialist II	\$4,215.75	\$4,426.54	\$4,647.87	\$4,880.26	\$5,124.27

4. Adopt Draft Resolution for Non-Represented Professional and Management Workers and Confidential Employees.
5. Authorize the City Manager to execute a Side Letter with the SEIU MOU adding the Technical Support Specialist II at the salary range shown above. [City Manager]

6. Accept Parcel Map AT 18-0087 - 6450 Portola Road (FMP19-0016)

- Fiscal Impact: None.
- Recommendations: Council:
 1. Accept Parcel Map AT18-0087.
 2. Accept, on behalf of the public, the offer of dedication for a Public Utility Easement and the offer of dedication for a portion of Portola Road. [Public Works]

MOTION: By Council Member Funk and seconded by Council Member Fonzi to approve the Consent Calendar. (#A-3: Ordinance No. 627) (#A-4: Resolution No. 2019-073 and Contract Nos. 2019-009, 2019-010, and 2019-011) (#A-5: Resolution No. 2019-074, and Contract No. 2018-013-A2)

Motion passed 4:0 by a roll-call vote. Newsom ABSENT.

UPDATES FROM THE CITY MANAGER:

City Manager Rachelle Rickard gave an update on projects and issues within the City.

COMMUNITY FORUM:

The following citizens spoke during Community Forum: Geoff Auslen, Marcia Alter (Exhibit A), Dylan Little, Clyde Snider, Maria Cagnina, and Ellen Beraud

Mayor Moreno closed the COMMUNITY FORUM period.

B. PUBLIC HEARINGS:

1. Appeal Dove Creek Mini-storage - DEV18-0103 (Newton)

- Ex-Parte Communications:
- Fiscal Impact: There will be some level of tax revenue increase following completion and occupancy of the project.

▪ Recommendations: Council:

1. Adopt Draft Resolution A upholding the Planning Commission's approval of the Dove Creek Mini-storage project, subject to findings and conditions of approval.

OR

2. Adopt Draft Resolution B overturning the Planning Commission's action and denying the Dove Creek Mini-Storage project. [Community Development]

Ex Parte Communications

Council Member Funk reported speaking with the applicant, current and former Planning Commissioners Keen, Van den Eikof, Beraud and Donovan, Mike Zappas a local developer, Dove Creek residents, participated in a forum on Nextdoor, read through and responded to correspondence received through email, and utilized Google Maps to look up comments that came through.

Council Member Fonzi reported meeting with the applicant, speaking with constituent Don Vert, and reading through and responding to correspondence received through email.

Mayor Moreno reported speaking with the applicant, Planning Commission Anderson, former Planning Commissioner Josh Donovan, former Mayor Tom O'Malley and Supervisor Debbie Arnold, Council Member Newsom, neighbors of the project, and reported that she read through and responded to correspondence received through email.

Mayor Pro Tem Bourbeau reported speaking with the applicant, former Planning Commissioner Josh Donovan, Planning Commission Chair Tom Zirk, doing research through Google, reading through all correspondence received through email, followed the conversation about the project on Nextdoor, spoke with staff, and listened to the meetings held by DRC and Planning Commission on this project.

At the request of the Mayor, Deputy City Manager/City Clerk Christensen and Community Development Director Dunsmore gave brief comments, prior to the presentation of the staff report, regarding the appeal process; the make-up and role of the Design Review Committee, Planning Commission and City Council; the Conditional Use Permit process; and the history of the project.

In response to letters delivered by an attorney representing the applicant (Scott Newton), the City Attorney asked questions of Council Member Fonzi to determine if she had any bias regarding the project. Following his questioning and hearing the answers provided by Council Member Fonzi, Attorney Pierik reported he was satisfied that Council Member Fonzi was not biased. Attorney Pierik also asked Senior Planner Gleason to respond to the Declaration of Scott Newton that was provided by Mr. Newton's attorney. Senior Planner Gleason gave her account of the interaction detailed in Mr. Newton's declaration. Under questioning of Attorney Pierik, Senior Planner Gleason reported that she did not tell the applicant that the Council would not be approving the project.

Community Development Director Dunsmore and Senior Planner Gleason gave the presentation and answered questions from the Council.

The applicant, Scott Newton, and his team made a presentation to and answered questions of the Council (Exhibit B).

Mayor Moreno recessed the meeting at 8:43 p.m.

Mayor Moreno reconvened the meeting at 8:58 p.m. with all present.

Community Development Director Dunsmore noted that the site plan presented by the applicant was not one staff has previously seen and was different than the one presented to the Planning Commission and in the City Council's agenda packet. He stated that should Council wish to approve the project, they would need to identify which site plan they were approving. Community Development Director Dunsmore noted that the Planning staff does have discretion to approve the changes as indicated on the new site plan.

PUBLIC COMMENT:

The following citizens spoke on this item: Don Vert, Bill Murrieta, Nancy Ayres, Monty Clouse, Dr. Annes, Ellen Beraud, Camille O'Brien, Geoff Auslen, Jake White, Vy Pierce (Exhibit C), Clyde Snider, Sally Dexter Smith, Daniel Neeley, Janet Murrieta, DC Carter, Anna King, Keith Vreeken, Nigel Stout, Dan Van Beveren, Rob Fell (Exhibit D), Chris Towers, Francis Romero, Lox Setterquist, Anna Callow, Mike Platter, Josh Donovan, Josh Cross, John Voget, Charlie Fruit, Dave Miller

Mayor Moreno closed the Public Comment period.

On motion by Mayor Pro Tem Bourbeau and seconded by Council Member Fonzi to extend the meeting passed 11:00 p.m.

Motion passed 4:0 by a roll-call vote. Newsom ABSENT.

MOTION: By Council Member Funk and seconded by Council Member Fonzi to adopt Draft Resolution B overturning the Planning Commission's action and denying the Dove Creek Mini-Storage project making the following revisions to Section (3)(1) of the Resolution:

Strikeout Sections A, B, C, E, F and G

Revise FACT D to read: The proposed mini-storage project is surrounded primarily by residential, parkland, child-care facilities, churches, and a seasonal creek. A mini-storage project and use is incompatible with the surrounding neighborhood and is a departure from the established land use pattern. It is also contrary to the orderly development of the immediate neighborhood.

Motion passed 3:1 by a roll-call vote. Bourbeau "NO". Newsom ABSENT.

Mayor Moreno recessed the meeting at 11:06 p.m.

Mayor Moreno reconvened the meeting at 11:13 p.m. with all present.

C. MANAGEMENT REPORTS: None.

D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:

The following Council Members made brief announcements and gave brief update reports on their committees since their last Council meeting:

Mayor Pro Tem Bourbeau

1. Integrated Waste Management Authority (IWMA)

Council Member Fonzi

1. SLO Local Agency Formation Commission (LAFCo)

Council Member Funk

1. Homeless Services Oversight Council

E. INDIVIDUAL DETERMINATION AND / OR ACTION: None

F. ADJOURN TO MEETING OF THE SUCCESSOR AGENCY

Mayor Moreno adjourned the meeting at 11:15 p.m. to the Meeting of the Successor Agency.

MINUTES PREPARED BY:

Lara K. Christensen
Deputy City Manager / City Clerk

The following exhibits are available for review in the City Clerk's office:

- Exhibit A – Tiny Footprint Expo flyer
- Exhibit B – Bound copies of letters regarding the Dove Creek Self Storage project
- Exhibit C – List of neighbors in Las Lomas opposed to the mini-storage project
- Exhibit D – Copy of photo published in Atascadero News – Friday, February 14, 1992

APPROVED:



Atascadero City Council

Staff Report - Administrative Services Department

August 2019 Accounts Payable and Payroll

RECOMMENDATION:

Council approve certified City accounts payable, payroll and payroll vendor checks for August 2019.

DISCUSSION:

Attached for City Council review and approval are the following:

Payroll

Dated 8/8/19	Checks # 34534 - 34556	\$ 15,521.92
	Direct Deposits	311,741.97
Dated 8/22/19	Checks # 34557 - 34578	15,554.38
	Direct Deposits	301,304.65

Accounts Payable

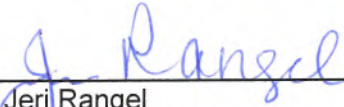
Dated 8/1/19 - 8/31/19	Checks # 161268 - 161724 & EFTs 3405 - 3432	3,690,894.53
	TOTAL AMOUNT	\$ 4,335,017.45

FISCAL IMPACT:

Total expenditures for all funds is \$ 4,335,017.45

CERTIFICATION:

The undersigned certifies that the attached demands have been released for payment and that funds are available for these demands.



Jeri Rangel
Director of Administrative Services

ATTACHMENT:

August 2019 Eden Warrant Register in the amount of \$ 3,690,894.53

City of Atascadero
Disbursement Listing

ITEM NUMBER: A-2
DATE: 09/24/19
ATTACHMENT: 1

For the Month of August 2019

Check Number	Check Date	Vendor	Description	Amount
161268	08/01/2019	DAVID J. ROBINSON	Accounts Payable Check	300.00
161269	08/02/2019	A.D. STARR	Accounts Payable Check	2,271.36
161270	08/02/2019	ALAMEDA ELECTRICAL DISTRIBUTOR	Accounts Payable Check	8,717.40
161271	08/02/2019	ALTHOUSE & MEADE, INC.	Accounts Payable Check	327.50
161272	08/02/2019	AMERICAN MARBORG	Accounts Payable Check	115.61
161273	08/02/2019	AT&T	Accounts Payable Check	764.30
161274	08/02/2019	ATASCADERO HAY & FEED	Accounts Payable Check	836.25
161275	08/02/2019	BASSETT'S CRICKET RANCH, INC.	Accounts Payable Check	773.91
161276	08/02/2019	BELL'S PLUMBING REPAIR, INC.	Accounts Payable Check	425.00
161277	08/02/2019	BERRY MAN, INC.	Accounts Payable Check	865.80
161278	08/02/2019	BIG RED MARKETING, INC.	Accounts Payable Check	11,564.44
161279	08/02/2019	BURKE, WILLIAMS, & SORENSON LLP	Accounts Payable Check	32,992.11
161280	08/02/2019	CA CONSERVATION CORP	Accounts Payable Check	4,000.00
161281	08/02/2019	CANNON	Accounts Payable Check	8,054.50
161282	08/02/2019	COUNTY OF SAN LUIS OBISPO	Accounts Payable Check	30.00
161283	08/02/2019	CRYSTAL CRIMBCHIN	Accounts Payable Check	200.00
161284	08/02/2019	CRYSTAL SPRINGS WATER	Accounts Payable Check	38.30
161285	08/02/2019	RONALD R. DALZELL, D.V.M.	Accounts Payable Check	59.00
161286	08/02/2019	DEPARTMENT OF JUSTICE	Accounts Payable Check	79.00
161287	08/02/2019	DEPARTMENT OF TRANSPORTATION	Accounts Payable Check	3,370.29
161288	08/02/2019	EARTH SYSTEMS PACIFIC	Accounts Payable Check	2,684.09
161289	08/02/2019	ESCUELA DEL RIO	Accounts Payable Check	1,280.00
161290	08/02/2019	FEDEX	Accounts Payable Check	60.96
161291	08/02/2019	GAS COMPANY	Accounts Payable Check	186.21
161292	08/02/2019	GLENN'S REPAIR & RENTAL, INC.	Accounts Payable Check	3,275.11
161293	08/02/2019	HAMNER, JEWELL & ASSOCIATES	Accounts Payable Check	6,207.28
161294	08/02/2019	HANSEN BRO'S CUSTOM FARMING	Accounts Payable Check	21,729.16
161295	08/02/2019	HOME DEPOT CREDIT SERVICES	Accounts Payable Check	1,140.05
161296	08/02/2019	KNECHT'S PLUMBING & HEATING	Accounts Payable Check	1,283.58
161297	08/02/2019	LAYNE LABORATORIES, INC.	Accounts Payable Check	770.41
161298	08/02/2019	CRAIG C. LOWRIE	Accounts Payable Check	75.00
161299	08/02/2019	MADRONE LANDSCAPES, INC.	Accounts Payable Check	293.18
161300	08/02/2019	MAILSTREAM, INC.	Accounts Payable Check	1,767.25
161301	08/02/2019	BECKY MAXWELL	Accounts Payable Check	20.07
161302	08/02/2019	MICHAEL K. NUNLEY & ASSC, INC.	Accounts Payable Check	4,899.00
161303	08/02/2019	MINER'S ACE HARDWARE	Accounts Payable Check	17.23
161304	08/02/2019	RAYMOND ROBERT MOLLE	Accounts Payable Check	313.05
161305	08/02/2019	PACIFIC CNTRL COAST HLTH CTRS	Accounts Payable Check	1,605.00
161306	08/02/2019	PARKINK	Accounts Payable Check	1,289.61
161307	08/02/2019	PERRY'S PARCEL & GIFT	Accounts Payable Check	75.00

City of Atascadero
Disbursement Listing

ITEM NUMBER: A-2
DATE: 09/24/19
ATTACHMENT: 1

For the Month of August 2019

Check Number	Check Date	Vendor	Description	Amount
161308	08/02/2019	PLACEWORKS, INC.	Accounts Payable Check	3,405.14
161309	08/02/2019	RAIN FOR RENT	Accounts Payable Check	2,523.24
161310	08/02/2019	RAINSCAPE, A LANDSCAPE SVC CO.	Accounts Payable Check	7,699.40
161311	08/02/2019	SERVICE SYSTEMS ASSC, INC.	Accounts Payable Check	5,000.00
161312	08/02/2019	SMART AND FINAL	Accounts Payable Check	28.55
161313	08/02/2019	SOUTH COAST EMERGENCY VEH SVC	Accounts Payable Check	2,063.35
161314	08/02/2019	STAPLES CREDIT PLAN	Accounts Payable Check	60.07
161315	08/02/2019	KURT W. STONE	Accounts Payable Check	1,200.00
161316	08/02/2019	TOWN & COUNTRY FENCING	Accounts Payable Check	8,909.00
161317	08/02/2019	ULTREX BUSINESS PRODUCTS	Accounts Payable Check	158.97
161318	08/02/2019	VERDIN	Accounts Payable Check	15,893.56
161319	08/02/2019	VERIZON WIRELESS	Accounts Payable Check	1,962.04
161320	08/02/2019	WALLACE GROUP	Accounts Payable Check	390.00
161321	08/02/2019	WEX BANK - 76 UNIVERSL	Accounts Payable Check	515.15
161322	08/02/2019	WEX BANK - WEX FLEET UNIVERSAL	Accounts Payable Check	512.40
161323	08/02/2019	2ND NATURE SOFTWARE INC.	Accounts Payable Check	5,056.48
161324	08/02/2019	ALL TECH WELDING	Accounts Payable Check	3,540.50
161325	08/02/2019	AMERICAN GENERAL MEDIA	Accounts Payable Check	3,000.00
161326	08/02/2019	MICHAEL J. ARRIOLA	Accounts Payable Check	1,350.00
161327	08/02/2019	ATASCADERO HAY & FEED	Accounts Payable Check	2,066.37
161329	08/02/2019	ATASCADERO MUTUAL WATER CO.	Accounts Payable Check	28,969.60
161330	08/02/2019	BASSETT'S CRICKET RANCH, INC.	Accounts Payable Check	242.46
161331	08/02/2019	BEAR MARKET RIOT, LLC	Accounts Payable Check	500.00
161332	08/02/2019	BEHAVIORAL ANALYSIS TRAINING	Accounts Payable Check	481.00
161333	08/02/2019	BERRY MAN, INC.	Accounts Payable Check	1,487.55
161334	08/02/2019	GREGORY A. BRAZZI	Accounts Payable Check	102.00
161335	08/02/2019	CARQUEST OF ATASCADERO	Accounts Payable Check	253.55
161336	08/02/2019	CASH	Accounts Payable Check	900.00
161337	08/02/2019	CENTRAL NEBRASKA PACKING, INC.	Accounts Payable Check	11,013.46
161338	08/02/2019	CHARTER COMMUNICATIONS	Accounts Payable Check	99.98
161339	08/02/2019	LARA CHRISTENSEN	Accounts Payable Check	197.20
161340	08/02/2019	CHROMATIC COLLECTIVE	Accounts Payable Check	675.00
161341	08/02/2019	CIO SOLUTIONS, LP	Accounts Payable Check	1,600.00
161342	08/02/2019	MIGUEL A. CORDERO	Accounts Payable Check	125.00
161343	08/02/2019	GREG C. CUNNINGHAM	Accounts Payable Check	100.00
161344	08/02/2019	DAN BIDDLE PEST CONTROL SERVIC	Accounts Payable Check	135.00
161345	08/02/2019	NICHOLAS DEBAR	Accounts Payable Check	300.00
161346	08/02/2019	PHILIP DUNSMORE	Accounts Payable Check	300.00
161347	08/02/2019	EARTH SYSTEMS PACIFIC	Accounts Payable Check	330.00
161348	08/02/2019	EQ-WINE COVERS COMPANY	Accounts Payable Check	9,423.33

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161349	08/02/2019	KENNETH G. ERB	Accounts Payable Check	289.00
161350	08/02/2019	DANIEL E. ERNST	Accounts Payable Check	300.00
161351	08/02/2019	ESCROW CLEANING SERVICE	Accounts Payable Check	300.00
161352	08/02/2019	FERGUSON ENTERPRISES, LLC	Accounts Payable Check	596.79
161353	08/02/2019	FERRELL'S AUTO REPAIR	Accounts Payable Check	370.85
161354	08/02/2019	GAS COMPANY	Accounts Payable Check	516.10
161355	08/02/2019	CHRISTIAN P. GUZMAN	Accounts Payable Check	240.00
161356	08/02/2019	HANSEN BRO'S CUSTOM FARMING	Accounts Payable Check	16,125.13
161357	08/02/2019	HART IMPRESSIONS PRINTING	Accounts Payable Check	615.49
161358	08/02/2019	HOME DEPOT CREDIT SERVICES	Accounts Payable Check	505.05
161359	08/02/2019	EVELYN R. INGRAM	Accounts Payable Check	633.89
161360	08/02/2019	IRON MOUNTAIN RECORDS MGMNT	Accounts Payable Check	99.24
161361	08/02/2019	JOE A. GONSALVES & SON	Accounts Payable Check	6,000.00
161362	08/02/2019	BRENDAN P. KELSO	Accounts Payable Check	1,008.00
161363	08/02/2019	KEY TERMITE & PEST CONTROL, INC.	Accounts Payable Check	305.00
161364	08/02/2019	KNECHT'S PLUMBING & HEATING	Accounts Payable Check	516.93
161365	08/02/2019	LAYNE LABORATORIES, INC.	Accounts Payable Check	3,318.70
161366	08/02/2019	LEAGUE OF CALIFORNIA CITIES	Accounts Payable Check	300.00
161367	08/02/2019	LIFE ASSIST, INC.	Accounts Payable Check	185.17
161368	08/02/2019	CRAIG C. LOWRIE	Accounts Payable Check	150.00
161369	08/02/2019	SAMUEL H. MCMILLAN, SR.	Accounts Payable Check	125.00
161370	08/02/2019	MID-COAST MOWER & SAW, INC.	Accounts Payable Check	2,317.08
161371	08/02/2019	MINER'S ACE HARDWARE	Accounts Payable Check	716.87
161372	08/02/2019	MISSION UNIFORM SERVICE	Accounts Payable Check	383.12
161373	08/02/2019	KATIE MULDER	Accounts Payable Check	85.98
161374	08/02/2019	RAYMOND L. MULLIKIN	Accounts Payable Check	136.56
161375	08/02/2019	MWI ANIMAL HEALTH	Accounts Payable Check	205.05
161376	08/02/2019	OFFICE DEPOT INC.	Accounts Payable Check	1,281.08
161377	08/02/2019	TARA ORLICK	Accounts Payable Check	53.36
161378	08/02/2019	PACIFIC GAS AND ELECTRIC	Accounts Payable Check	128.08
161379	08/02/2019	MARTIN E. PARIS	Accounts Payable Check	600.00
161380	08/02/2019	RICARDO PAZ	Accounts Payable Check	125.00
161381	08/02/2019	PROCARE JANITORIAL SUPPLY, INC.	Accounts Payable Check	427.60
161382	08/02/2019	RAINSCAPE, A LANDSCAPE SVC CO.	Accounts Payable Check	9,360.00
161383	08/02/2019	JERI RANGEL	Accounts Payable Check	300.00
161384	08/02/2019	RACHELLE RICKARD	Accounts Payable Check	500.00
161385	08/02/2019	ROLSON MUSIC & SOUND	Accounts Payable Check	2,975.00
161386	08/02/2019	JAMES SCOOLIS	Accounts Payable Check	750.00
161387	08/02/2019	ANDREA L. SHERRILL	Accounts Payable Check	108.00
161388	08/02/2019	THE SHERWIN-WILLIAMS COMPANY	Accounts Payable Check	71.97

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161389	08/02/2019	SLO CO AUDITOR CONTROLLER	Accounts Payable Check	36.00
161390	08/02/2019	SLOCOG	Accounts Payable Check	5,560.00
161391	08/02/2019	SLOFIST	Accounts Payable Check	1,200.00
161392	08/02/2019	SMART AND FINAL	Accounts Payable Check	110.33
161393	08/02/2019	STANLEY CONVERGENT SECURITY	Accounts Payable Check	667.68
161394	08/02/2019	STAPLES CREDIT PLAN	Accounts Payable Check	239.33
161395	08/02/2019	STATEWIDE TRAFFIC SAFETY&SIGNS	Accounts Payable Check	1,326.71
161396	08/02/2019	SUNLIGHT JANITORIAL, INC.	Accounts Payable Check	2,661.00
161397	08/02/2019	TEMPLETON UNIFORMS, LLC	Accounts Payable Check	23.99
161398	08/02/2019	U.S. POSTMASTER	Accounts Payable Check	2,200.00
161399	08/02/2019	UNIVAR USA, INC.	Accounts Payable Check	5,886.17
161400	08/02/2019	THOMAS F. VELASQUEZ	Accounts Payable Check	112.50
161401	08/02/2019	VERIZON WIRELESS	Accounts Payable Check	25.17
161402	08/02/2019	ROBERTA VILLA-WAGNER & MARK WAGNER	Accounts Payable Check	298.75
161403	08/02/2019	VINO VICE, INC.	Accounts Payable Check	435.00
161404	08/02/2019	VISITOR TELEVISION LLC	Accounts Payable Check	730.00
161405	08/02/2019	BRANDON J. WELLS	Accounts Payable Check	341.00
161406	08/02/2019	WEX BANK - 76 UNIVERSL	Accounts Payable Check	10,726.57
161407	08/02/2019	WEX BANK - WEX FLEET UNIVERSAL	Accounts Payable Check	6,907.53
161408	08/02/2019	WILKINS ACTION GRAPHICS	Accounts Payable Check	535.99
161409	08/07/2019	ANTHEM BLUE CROSS HEALTH	Payroll Vendor Payment	179,642.88
161410	08/07/2019	LINCOLN NATIONAL LIFE INS CO	Payroll Vendor Payment	1,624.65
161411	08/07/2019	MEDICAL EYE SERVICES	Payroll Vendor Payment	1,800.48
161412	08/07/2019	PREFERRED BENEFITS INSURANCE	Payroll Vendor Payment	9,027.40
3405	08/08/2019	ANTHEM BLUE CROSS HSA	Payroll Vendor Payment	8,029.61
161413	08/08/2019	ATASCADERO MID MGRS ORG UNION	Payroll Vendor Payment	80.00
161414	08/08/2019	ATASCADERO POLICE OFFICERS	Payroll Vendor Payment	1,842.75
161415	08/08/2019	ATASCADERO PROF. FIREFIGHTERS	Payroll Vendor Payment	1,193.90
161416	08/08/2019	MASS MUTUAL WORKPLACE SOLUTION	Payroll Vendor Payment	6,655.50
161417	08/08/2019	NATIONWIDE RETIREMENT SOLUTION	Payroll Vendor Payment	1,212.22
161418	08/08/2019	NAVIA BENEFIT SOLUTIONS	Payroll Vendor Payment	1,730.18
161419	08/08/2019	SEIU LOCAL 620	Payroll Vendor Payment	856.74
161420	08/08/2019	VANTAGEPOINT TRNSFR AGT 106099	Payroll Vendor Payment	357.85
161421	08/08/2019	VANTAGEPOINT TRNSFR AGT 304633	Payroll Vendor Payment	5,008.80
161422	08/08/2019	VANTAGEPOINT TRNSFR AGT 706276	Payroll Vendor Payment	85.00
3406	08/09/2019	STATE DISBURSEMENT UNIT	Payroll Vendor Payment	209.54
3407	08/12/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	23,162.54
3408	08/12/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	35,328.94
3409	08/12/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	1,594.42
3410	08/12/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	1,914.95

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3411	08/12/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	2,838.65
3412	08/12/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	5,186.55
3413	08/12/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	6,503.77
3414	08/12/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	12,103.93
3415	08/13/2019	RABOBANK, N.A.	Payroll Vendor Payment	59,818.02
3416	08/13/2019	EMPLOYMENT DEV DEPARTMENT	Payroll Vendor Payment	18,168.38
3417	08/13/2019	EMPLOYMENT DEV. DEPARTMENT	Payroll Vendor Payment	2,152.10
3418	08/15/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Accounts Payable Check	187.80
161423	08/16/2019	AMERICAN WEST TIRE & AUTO INC	Accounts Payable Check	735.49
161424	08/16/2019	AT&T	Accounts Payable Check	187.80
161425	08/16/2019	AT&T	Accounts Payable Check	100.60
161426	08/16/2019	ATASCADERO HAY & FEED	Accounts Payable Check	1,278.45
161427	08/16/2019	ATASCADERO PROF. FIREFIGHTERS	Accounts Payable Check	1,439.76
161428	08/16/2019	TERRIE BANISH	Accounts Payable Check	437.32
161429	08/16/2019	BURT INDUSTRIAL SUPPLY	Accounts Payable Check	15.39
161430	08/16/2019	CLEVER CONCEPTS, INC.	Accounts Payable Check	30.00
161431	08/16/2019	COAST LINE DISTRIBUTING	Accounts Payable Check	817.74
161432	08/16/2019	COASTAL COPY, INC.	Accounts Payable Check	201.97
161433	08/16/2019	DEPARTMENT OF JUSTICE	Accounts Payable Check	228.00
161434	08/16/2019	FGL ENVIRONMENTAL	Accounts Payable Check	365.00
161435	08/16/2019	FIESTA MAHAR MANUFACTURING CORP	Accounts Payable Check	1,059.47
161436	08/16/2019	FIGUEROA MOUNTAIN BREWING, LLC	Accounts Payable Check	245.00
161437	08/16/2019	JOHN HOLDER	Accounts Payable Check	97.00
161438	08/16/2019	KID TEES	Accounts Payable Check	229.52
161439	08/16/2019	LEE WILSON ELECTRIC CO. INC	Accounts Payable Check	5,864.06
161440	08/16/2019	MADRONE LANDSCAPES, INC.	Accounts Payable Check	380.00
161441	08/16/2019	MICHAEL K. NUNLEY & ASSC, INC.	Accounts Payable Check	2,226.86
161442	08/16/2019	MINER'S ACE HARDWARE	Accounts Payable Check	221.57
161443	08/16/2019	MISSION UNIFORM SERVICE	Accounts Payable Check	43.00
161444	08/16/2019	MUFG UNION BANK, N.A.	Accounts Payable Check	2,791.00
161445	08/16/2019	QUINCY ENGINEERING, INC.	Accounts Payable Check	23,136.24
161446	08/16/2019	RAINSCAPE, A LANDSCAPE SVC CO.	Accounts Payable Check	725.99
161447	08/16/2019	RICK ENGINEERING COMPANY	Accounts Payable Check	507.22
161448	08/16/2019	SMART AND FINAL	Accounts Payable Check	57.34
161449	08/16/2019	CONNER M. SPEARS	Accounts Payable Check	1,820.00
161450	08/16/2019	SUNSET SERVICE CENTER	Accounts Payable Check	75.00
161451	08/16/2019	TERRA VERDE ENVIRONMENTAL CONS	Accounts Payable Check	95.00
161453	08/16/2019	U.S. BANK	Accounts Payable Check	6,089.00
161454	08/16/2019	IWINA M. VAN BEEK	Accounts Payable Check	432.00
161455	08/16/2019	VERDIN	Accounts Payable Check	11,713.50

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161456	08/16/2019	VERIZON WIRELESS	Accounts Payable Check	464.75
161457	08/16/2019	VINO VICE, INC.	Accounts Payable Check	390.00
161458	08/16/2019	VISIT SLO CAL	Accounts Payable Check	39,904.85
161459	08/16/2019	WARM FUZZY TOYS	Accounts Payable Check	116.04
161460	08/16/2019	WISHPETS CO.	Accounts Payable Check	179.48
161461	08/16/2019	29TONIGHT, INC.	Accounts Payable Check	165.34
161462	08/16/2019	ALL SIGNS AND GRAPHICS	Accounts Payable Check	258.60
161463	08/16/2019	ALLIANT INSURANCE SERVICES INC	Accounts Payable Check	346.00
161464	08/16/2019	AMERICAN MARBORG	Accounts Payable Check	115.61
161465	08/16/2019	AMERICAN WEST TIRE & AUTO INC	Accounts Payable Check	20.00
161466	08/16/2019	ASSOCIATED TRAFFIC SAFETY, INC	Accounts Payable Check	170.25
161468	08/16/2019	AT&T	Accounts Payable Check	1,056.64
161469	08/16/2019	ATASCADERO CHAMBER OF COMMERCE	Accounts Payable Check	11,181.00
161470	08/16/2019	ATASCADERO PICKLEBALL CLUB, INC	Accounts Payable Check	357.60
161471	08/16/2019	AURORA WORLD, INC.	Accounts Payable Check	507.54
161472	08/16/2019	AVTEC, INC.	Accounts Payable Check	7,601.55
161473	08/16/2019	BAY AREA DRIVING SCHOOL, INC.	Accounts Payable Check	27.30
161474	08/16/2019	JULIE C. BEAVER	Accounts Payable Check	300.00
161475	08/16/2019	KEITH R. BERGHER	Accounts Payable Check	903.75
161476	08/16/2019	BREZDEN PEST CONTROL, INC.	Accounts Payable Check	90.00
161477	08/16/2019	CARQUEST OF ATASCADERO	Accounts Payable Check	254.20
161478	08/16/2019	CHARTER COMMUNICATIONS	Accounts Payable Check	6,031.22
161479	08/16/2019	KATHLEEN J. CINOWALT	Accounts Payable Check	224.00
161480	08/16/2019	CLEVER CONCEPTS, INC.	Accounts Payable Check	60.00
161481	08/16/2019	COAST ELECTRONICS	Accounts Payable Check	1,101.73
161482	08/16/2019	COAST LINE DISTRIBUTING	Accounts Payable Check	409.27
161483	08/16/2019	VINCE A. CONDE	Accounts Payable Check	200.00
161484	08/16/2019	MIGUEL A. CORDERO	Accounts Payable Check	50.00
161485	08/16/2019	CIMON J. CORMIER	Accounts Payable Check	50.00
161486	08/16/2019	CREWSENSE, LLC	Accounts Payable Check	2,698.71
161487	08/16/2019	CRYSTAL SPRINGS WATER	Accounts Payable Check	20.00
161488	08/16/2019	CUESTA POLYGRAPH	Accounts Payable Check	2,580.08
161489	08/16/2019	CULLIGAN/CENTRAL COAST WTR TRT	Accounts Payable Check	70.00
161490	08/16/2019	GREG C. CUNNINGHAM	Accounts Payable Check	100.00
161491	08/16/2019	STACY DAYTON	Accounts Payable Check	296.00
161492	08/16/2019	DEPARTMENT OF JUSTICE	Accounts Payable Check	49.00
161493	08/16/2019	DOCUTEAM	Accounts Payable Check	138.96
161494	08/16/2019	ELECTRICRAFT, INC.	Accounts Payable Check	424.33
161495	08/16/2019	FERGUSON ENTERPRISES, LLC	Accounts Payable Check	429.01
161496	08/16/2019	FERRAVANTI GRADING & PAVING	Accounts Payable Check	10,218.38

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161497	08/16/2019	FGL ENVIRONMENTAL	Accounts Payable Check	433.00
161498	08/16/2019	FRANCHISE TAX BOARD	Accounts Payable Check	244.13
161499	08/16/2019	GALLS, LLC	Accounts Payable Check	10.00
161500	08/16/2019	GAS COMPANY	Accounts Payable Check	154.35
161501	08/16/2019	GHD, INC.	Accounts Payable Check	1,409.00
161502	08/16/2019	GLENN'S REPAIR & RENTAL, INC.	Accounts Payable Check	381.54
161503	08/16/2019	KATHLEEN GROGAN	Accounts Payable Check	296.00
161504	08/16/2019	BRADLEY A. HACKLEMAN	Accounts Payable Check	96.00
161505	08/16/2019	HANLEY AND FLEISHMAN, LLP	Accounts Payable Check	1,147.00
161506	08/16/2019	CHRIS HOREJSI	Accounts Payable Check	192.84
161507	08/16/2019	ZACHARIAH JACKSON	Accounts Payable Check	111.80
161508	08/16/2019	K & M INTERNATIONAL	Accounts Payable Check	1,746.56
161509	08/16/2019	BRENDAN P. KELSO	Accounts Payable Check	2,002.00
161510	08/16/2019	K-MAN CYCLERY	Accounts Payable Check	204.48
161511	08/16/2019	DENISE R. KNEESKERN	Accounts Payable Check	46.00
161512	08/16/2019	KPRL 1230 AM	Accounts Payable Check	160.00
161513	08/16/2019	LASER TECHNOLOGY, INC.	Accounts Payable Check	1,154.16
161514	08/16/2019	COLETTE LAYTON	Accounts Payable Check	934.92
161515	08/16/2019	LEADS ONLINE, LLC	Accounts Payable Check	2,238.00
161516	08/16/2019	LENOVO (UNITED STATES) INC.	Accounts Payable Check	28,179.86
161517	08/16/2019	LIFE ASSIST, INC.	Accounts Payable Check	1,890.33
161518	08/16/2019	MADRONE LANDSCAPES, INC.	Accounts Payable Check	380.00
161519	08/16/2019	ERIK M. MCCORNACK	Accounts Payable Check	300.00
161520	08/16/2019	WADE MCKINNEY	Accounts Payable Check	317.34
161521	08/16/2019	SAMUEL HENRY MCMILLAN, JR.	Accounts Payable Check	100.00
161522	08/16/2019	SAMUEL H. MCMILLAN, SR.	Accounts Payable Check	25.00
161523	08/16/2019	MICHAEL K. NUNLEY & ASSC, INC.	Accounts Payable Check	365.65
161524	08/16/2019	MID-COAST MOWER & SAW, INC.	Accounts Payable Check	70.37
161525	08/16/2019	MINER'S ACE HARDWARE	Accounts Payable Check	247.04
161526	08/16/2019	MISSION UNIFORM SERVICE	Accounts Payable Check	319.81
161527	08/16/2019	RAYMOND L. MULLIKIN	Accounts Payable Check	381.00
161528	08/16/2019	MV TRANSPORTATION, INC.	Accounts Payable Check	9,356.58
161529	08/16/2019	KELLYE R. NETZ	Accounts Payable Check	179.00
161530	08/16/2019	NEW TIMES	Accounts Payable Check	337.00
161531	08/16/2019	NORTH CO SEPTIC SERVICE, INC.	Accounts Payable Check	1,230.00
161532	08/16/2019	NORTH COAST ENGINEERING INC.	Accounts Payable Check	2,444.75
161533	08/16/2019	OFFICE DEPOT INC.	Accounts Payable Check	19.65
161536	08/16/2019	PACIFIC GAS AND ELECTRIC	Accounts Payable Check	59,898.98
161537	08/16/2019	PASO ROBLES SAFE & LOCK, INC.	Accounts Payable Check	2,484.32
161538	08/16/2019	RICARDO PAZ	Accounts Payable Check	225.00

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161539	08/16/2019	PRAXAIR DISTRIBUTION, INC.	Accounts Payable Check	49.45
161540	08/16/2019	PROCARE JANITORIAL SUPPLY, INC.	Accounts Payable Check	654.75
161541	08/16/2019	PROSOUND BUSINESS MEDIA, INC.	Accounts Payable Check	99.00
161542	08/16/2019	SHIRLEY L. RADCLIFF-BRUTON	Accounts Payable Check	490.20
161543	08/16/2019	RAINSCAPE, A LANDSCAPE SVC CO.	Accounts Payable Check	9,407.30
161544	08/16/2019	REPUBLIC ELEVATOR COMPANY	Accounts Payable Check	443.89
161545	08/16/2019	SERVICE SYSTEMS ASSC, INC.	Accounts Payable Check	2,500.00
161546	08/16/2019	ANDREA L. SHERRILL	Accounts Payable Check	28.80
161547	08/16/2019	SHI INTERNATIONAL CORP.	Accounts Payable Check	13,471.50
161548	08/16/2019	JOHN C. SIEMENS	Accounts Payable Check	91.35
161549	08/16/2019	SMART AND FINAL	Accounts Payable Check	131.46
161550	08/16/2019	RYAN SMITH	Accounts Payable Check	140.02
161551	08/16/2019	SOFTWAREONE, INC.	Accounts Payable Check	28,765.38
161552	08/16/2019	SOUZA CONSTRUCTION, INC.	Accounts Payable Check	679,465.55
161553	08/16/2019	SPEAKWRITE, LLC.	Accounts Payable Check	407.42
161554	08/16/2019	CONNER M. SPEARS	Accounts Payable Check	1,110.00
161555	08/16/2019	SPECIALIZED EQUIPMENT REPAIR	Accounts Payable Check	1,171.93
161556	08/16/2019	STANLEY CONVERGENT SECURITY	Accounts Payable Check	271.23
161557	08/16/2019	STATEWIDE TRAFFIC SAFETY&SIGNS	Accounts Payable Check	294.93
161558	08/16/2019	SUN BADGE COMPANY	Accounts Payable Check	148.92
161559	08/16/2019	SWANK MOTION PICTURES, INC.	Accounts Payable Check	870.00
161560	08/16/2019	TEMPLETON UNIFORMS, LLC	Accounts Payable Check	110.91
161561	08/16/2019	TERRA VERDE ENVIRONMENTAL CONS	Accounts Payable Check	405.00
161565	08/16/2019	U.S. BANK	Accounts Payable Check	19,345.94
161566	08/16/2019	ULTREX BUSINESS PRODUCTS	Accounts Payable Check	131.52
161567	08/16/2019	UNITED RENTALS (NORTH AM), INC	Accounts Payable Check	1,601.30
161568	08/16/2019	IWINA M. VAN BEEK	Accounts Payable Check	230.00
161569	08/16/2019	SABRINA T. VAN BEEK	Accounts Payable Check	138.00
161570	08/16/2019	THOMAS F. VELASQUEZ	Accounts Payable Check	50.00
161571	08/16/2019	VINO VICE, INC.	Accounts Payable Check	480.00
161572	08/16/2019	VISITOR TELEVISION LLC	Accounts Payable Check	595.00
161573	08/16/2019	WARM FUZZY TOYS	Accounts Payable Check	288.86
161574	08/16/2019	WCJ PROPERTY SERVICES	Accounts Payable Check	732.37
161575	08/16/2019	WEST COAST AUTO & TOWING, INC.	Accounts Payable Check	45.00
161576	08/16/2019	WILKINS ACTION GRAPHICS	Accounts Payable Check	197.55
161577	08/16/2019	CHRISTINE S. WRIGHT	Accounts Payable Check	300.00
161578	08/16/2019	KAREN B. WYKE	Accounts Payable Check	643.80
161579	08/16/2019	ZOOM IMAGING SOLUTIONS, INC.	Accounts Payable Check	962.42
3419	08/22/2019	ANTHEM BLUE CROSS HSA	Payroll Vendor Payment	7,969.61
161580	08/22/2019	ATASCADERO MID MGRS ORG UNION	Payroll Vendor Payment	60.00

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Check Number	Check Date	Vendor	Description	Amount
161581	08/22/2019	ATASCADERO POLICE OFFICERS	Payroll Vendor Payment	1,842.75
161582	08/22/2019	ATASCADERO PROF. FIREFIGHTERS	Payroll Vendor Payment	1,193.90
161583	08/22/2019	MASS MUTUAL WORKPLACE SOLUTION	Payroll Vendor Payment	6,535.50
161584	08/22/2019	NATIONWIDE RETIREMENT SOLUTION	Payroll Vendor Payment	1,024.61
161585	08/22/2019	NAVIA BENEFIT SOLUTIONS	Payroll Vendor Payment	1,730.18
161586	08/22/2019	SEIU LOCAL 620	Payroll Vendor Payment	856.91
161587	08/22/2019	VANTAGEPOINT TRNSFR AGT 106099	Payroll Vendor Payment	357.85
161588	08/22/2019	VANTAGEPOINT TRNSFR AGT 304633	Payroll Vendor Payment	5,046.00
161589	08/22/2019	VANTAGEPOINT TRNSFR AGT 706276	Payroll Vendor Payment	85.00
3420	08/23/2019	BANK OF NEW YORK MELLON	Accounts Payable Check	625,046.91
3421	08/23/2019	STATE DISBURSEMENT UNIT	Payroll Vendor Payment	209.54
3422	08/23/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	22,567.11
3423	08/23/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	38,284.25
3424	08/23/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	2,132.81
3425	08/23/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	1,963.61
3426	08/23/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	2,860.70
3427	08/23/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	4,869.67
3428	08/23/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	7,310.97
3429	08/23/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	12,006.68
3430	08/27/2019	RABOBANK, N.A.	Payroll Vendor Payment	55,893.66
3431	08/27/2019	EMPLOYMENT DEV DEPARTMENT	Payroll Vendor Payment	16,618.04
3432	08/27/2019	EMPLOYMENT DEV. DEPARTMENT	Payroll Vendor Payment	2,246.00
161590	08/30/2019	ANTHEM BLUE CROSS HEALTH	Payroll Vendor Payment	179,154.39
161591	08/30/2019	LINCOLN NATIONAL LIFE INS CO	Payroll Vendor Payment	1,599.08
161592	08/30/2019	MEDICAL EYE SERVICES	Payroll Vendor Payment	1,816.37
161593	08/30/2019	PREFERRED BENEFITS INSURANCE	Payroll Vendor Payment	8,937.50
161594	08/30/2019	AIRSTRIKE BIRD CONTROL, INC.	Accounts Payable Check	5,300.00
161595	08/30/2019	ALAMEDA ELECTRICAL DISTRIBUTOR	Accounts Payable Check	15.04
161596	08/30/2019	AMERICAN ASPHALT SOUTH, INC.	Accounts Payable Check	325,329.75
161597	08/30/2019	AMERICAN WEST TIRE & AUTO INC	Accounts Payable Check	1,171.25
161598	08/30/2019	ATASCADERO NEWS	Accounts Payable Check	2,739.80
161599	08/30/2019	BASSETT'S CRICKET RANCH, INC.	Accounts Payable Check	341.36
161600	08/30/2019	BUBBLE FUN, INC.	Accounts Payable Check	100.00
161601	08/30/2019	CARQUEST OF ATASCADERO	Accounts Payable Check	17.76
161602	08/30/2019	EARTH SYSTEMS PACIFIC	Accounts Payable Check	2,138.50
161603	08/30/2019	FERRELL'S AUTO REPAIR	Accounts Payable Check	41.70
161604	08/30/2019	LANA L. FLATEN	Accounts Payable Check	175.00
161605	08/30/2019	GOLDEN STATE TREE SERVICE	Accounts Payable Check	837.50
161606	08/30/2019	INTERSTATE BATTERIES OF	Accounts Payable Check	97.92
161607	08/30/2019	K PENCE CONSULTING	Accounts Payable Check	984.00

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Check Number	Check Date	Vendor	Description	Amount
161608	08/30/2019	MISSION UNIFORM SERVICE	Accounts Payable Check	4.30
161609	08/30/2019	MOSS, LEVY, & HARTZHEIM LLP	Accounts Payable Check	685.00
161610	08/30/2019	OFFICE DEPOT INC.	Accounts Payable Check	147.01
161611	08/30/2019	O'REILLY AUTOMOTIVE, INC.	Accounts Payable Check	93.09
161612	08/30/2019	RAINBOW MEALWORMS, INC.	Accounts Payable Check	108.74
161613	08/30/2019	JAMES STEVEN ROBINSON DVM	Accounts Payable Check	13,410.00
161614	08/30/2019	SAFARI PROGRAMS, INC.	Accounts Payable Check	340.80
161615	08/30/2019	SANTA MARIA TIRE, INC.	Accounts Payable Check	2,541.95
161616	08/30/2019	SLO COUNTY SHERIFF'S OFFICE	Accounts Payable Check	212.00
161617	08/30/2019	TUCKFIELD & ASSOCIATES	Accounts Payable Check	13,427.55
161618	08/30/2019	UNIVERSITY OF FLORIDA	Accounts Payable Check	90.00
161619	08/30/2019	VERIZON WIRELESS	Accounts Payable Check	194.41
161620	08/30/2019	VIBORG SAND & GRAVEL, INC.	Accounts Payable Check	76,385.10
161621	08/30/2019	WALLACE GROUP	Accounts Payable Check	39,503.97
161622	08/30/2019	ZEE MEDICAL SERVICES CO.	Accounts Payable Check	117.99
161623	08/30/2019	4LEAF, INC.	Accounts Payable Check	14,579.53
161624	08/30/2019	AAZK	Accounts Payable Check	185.00
161625	08/30/2019	ACTIVE NETWORK, LLC	Accounts Payable Check	1,504.08
161626	08/30/2019	AGM CALIFORNIA, INC.	Accounts Payable Check	2,916.00
161627	08/30/2019	AIRGAS USA, LLC	Accounts Payable Check	194.76
161628	08/30/2019	AIRSTRIKE BIRD CONTROL, INC.	Accounts Payable Check	7,000.00
161629	08/30/2019	ALERT-ALL CORPORATION	Accounts Payable Check	129.30
161630	08/30/2019	ALL SIGNS AND GRAPHICS	Accounts Payable Check	202.03
161631	08/30/2019	ALLIANT INSURANCE SERVICES INC	Accounts Payable Check	173.00
161632	08/30/2019	ALTHOUSE & MEADE, INC.	Accounts Payable Check	1,480.00
161633	08/30/2019	AMERICAN ASPHALT SOUTH, INC.	Accounts Payable Check	98,201.15
161634	08/30/2019	AMERICAN WEST TIRE & AUTO INC	Accounts Payable Check	1,851.18
161635	08/30/2019	ASSOCIATED TRAFFIC SAFETY, INC	Accounts Payable Check	950.00
161636	08/30/2019	AT&T	Accounts Payable Check	1,004.57
161638	08/30/2019	ATASCADERO MUTUAL WATER CO.	Accounts Payable Check	26,877.40
161639	08/30/2019	ATM ADVANTAGE PLUS	Accounts Payable Check	300.00
161640	08/30/2019	DYLAN T. AZEVEDO	Accounts Payable Check	69.00
161641	08/30/2019	TERRIE BANISH	Accounts Payable Check	75.00
161642	08/30/2019	JOSE R. BENITEZ	Accounts Payable Check	210.00
161643	08/30/2019	BREZDEN PEST CONTROL, INC.	Accounts Payable Check	90.00
161644	08/30/2019	BUBBLE FUN, INC.	Accounts Payable Check	300.00
161645	08/30/2019	BURKE, WILLIAMS, & SORENSON LLP	Accounts Payable Check	20,000.00
161646	08/30/2019	CA CODE CHECK, INC.	Accounts Payable Check	1,781.25
161647	08/30/2019	CARQUEST OF ATASCADERO	Accounts Payable Check	582.14
161648	08/30/2019	CASEY PRINTING, INC.	Accounts Payable Check	5,940.88

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Check Number	Check Date	Vendor	Description	Amount
161649	08/30/2019	CENTRAL CA ASA	Accounts Payable Check	475.00
161650	08/30/2019	CHARTER COMMUNICATIONS	Accounts Payable Check	4,277.06
161651	08/30/2019	CIO SOLUTIONS, LP	Accounts Payable Check	1,600.00
161652	08/30/2019	CITY OF FRESNO-POLICE DEPT.	Accounts Payable Check	802.00
161653	08/30/2019	COASTAL REPROGRAPHIC SERVICES	Accounts Payable Check	77.82
161654	08/30/2019	COMPETITIVE EDGE DISTRIBUTING	Accounts Payable Check	326.07
161655	08/30/2019	VINCE A. CONDE	Accounts Payable Check	100.00
161656	08/30/2019	MIGUEL A. CORDERO	Accounts Payable Check	100.00
161657	08/30/2019	CORELOGIC SOLUTIONS, LLC.	Accounts Payable Check	1,500.00
161658	08/30/2019	CIMON J. CORMIER	Accounts Payable Check	100.00
161659	08/30/2019	GREG C. CUNNINGHAM	Accounts Payable Check	100.00
161660	08/30/2019	DARRYL'S LOCK AND SAFE	Accounts Payable Check	10.78
161661	08/30/2019	DEPARTMENT OF JUSTICE	Accounts Payable Check	262.00
161662	08/30/2019	DOGGIE WALK BAGS COMPANY	Accounts Payable Check	283.23
161663	08/30/2019	EARTH SYSTEMS PACIFIC	Accounts Payable Check	24,721.50
161664	08/30/2019	EL CAMINO CAR WASH	Accounts Payable Check	49.99
161665	08/30/2019	ESRI, INC.	Accounts Payable Check	13,100.00
161666	08/30/2019	FERRELL'S AUTO REPAIR	Accounts Payable Check	234.34
161667	08/30/2019	GAS COMPANY	Accounts Payable Check	276.23
161668	08/30/2019	GHD, INC.	Accounts Payable Check	3,342.75
161669	08/30/2019	HART IMPRESSIONS PRINTING	Accounts Payable Check	193.95
161670	08/30/2019	J. CARROLL CORPORATION	Accounts Payable Check	147.06
161671	08/30/2019	JK'S UNLIMITED	Accounts Payable Check	1,350.19
161672	08/30/2019	JOE A. GONSALVES & SON	Accounts Payable Check	3,000.00
161673	08/30/2019	JOURNAL PLUS MAGAZINE	Accounts Payable Check	1,800.00
161674	08/30/2019	KIDZ LOVE SOCCER	Accounts Payable Check	3,110.80
161675	08/30/2019	DENISE R. KNEESKERN	Accounts Payable Check	69.00
161676	08/30/2019	KPRL 1230 AM	Accounts Payable Check	375.00
161677	08/30/2019	KTU+A	Accounts Payable Check	4,537.50
161678	08/30/2019	LEAGUE OF CALIFORNIA CITIES	Accounts Payable Check	70.00
161679	08/30/2019	LIFE ASSIST, INC.	Accounts Payable Check	951.53
161680	08/30/2019	CRAIG C. LOWRIE	Accounts Payable Check	75.00
161681	08/30/2019	MADRONE LANDSCAPES, INC.	Accounts Payable Check	630.00
161682	08/30/2019	CRAIG MARTINEAU	Accounts Payable Check	281.00
161683	08/30/2019	BECKY MAXWELL	Accounts Payable Check	51.97
161684	08/30/2019	SAMUEL H. MCMILLAN, SR.	Accounts Payable Check	200.00
161685	08/30/2019	MEDPOST URGENT CARE-ATASCADERO	Accounts Payable Check	330.00
161686	08/30/2019	MID-COAST MOWER & SAW, INC.	Accounts Payable Check	250.00
161687	08/30/2019	MINER'S ACE HARDWARE	Accounts Payable Check	565.59
161688	08/30/2019	MISSION UNIFORM SERVICE	Accounts Payable Check	247.52

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Check Number	Check Date	Vendor	Description	Amount
161689	08/30/2019	MIWALL CORPORATION	Accounts Payable Check	1,107.50
161690	08/30/2019	MOTOROLA SOLUTIONS, INC.	Accounts Payable Check	22,864.17
161691	08/30/2019	NEW TIMES	Accounts Payable Check	168.00
161692	08/30/2019	OFFICE DEPOT INC.	Accounts Payable Check	1,102.43
161693	08/30/2019	O'REILLY AUTOMOTIVE, INC.	Accounts Payable Check	109.22
161694	08/30/2019	PACIFIC GAS AND ELECTRIC	Accounts Payable Check	130.99
161695	08/30/2019	RICARDO PAZ	Accounts Payable Check	75.00
161696	08/30/2019	PERRY'S PARCEL & GIFT	Accounts Payable Check	75.00
161697	08/30/2019	PLACEWORKS, INC.	Accounts Payable Check	16,256.15
161698	08/30/2019	PROCARE JANITORIAL SUPPLY, INC.	Accounts Payable Check	795.32
161699	08/30/2019	QUINN RENTAL SERVICES	Accounts Payable Check	3,510.49
161700	08/30/2019	RAILROAD BBQ CO.	Accounts Payable Check	320.23
161701	08/30/2019	RANGE MASTER	Accounts Payable Check	1,766.43
161702	08/30/2019	SANTA MARIA SUN, LLC	Accounts Payable Check	270.00
161703	08/30/2019	THE SHERWIN-WILLIAMS COMPANY	Accounts Payable Check	73.36
161704	08/30/2019	SHI INTERNATIONAL CORP.	Accounts Payable Check	9,446.60
161705	08/30/2019	SHORE-TEK, INC.	Accounts Payable Check	436.03
161706	08/30/2019	SLO COUNTY HEALTH AGENCY	Accounts Payable Check	74,320.25
161707	08/30/2019	SLO COUNTY SHERIFF'S OFFICE	Accounts Payable Check	53.00
161708	08/30/2019	SOUZA CONSTRUCTION, INC.	Accounts Payable Check	10,577.80
161709	08/30/2019	MICHAEL & LYNN STEINER	Accounts Payable Check	1,067.51
161710	08/30/2019	SUNLIGHT JANITORIAL, INC.	Accounts Payable Check	961.00
161711	08/30/2019	SUNSET SERVICE CENTER	Accounts Payable Check	63.47
161712	08/30/2019	SWANK MOTION PICTURES, INC.	Accounts Payable Check	435.00
161713	08/30/2019	ULTREX BUSINESS PRODUCTS	Accounts Payable Check	7.00
161714	08/30/2019	ULTREX LEASING	Accounts Payable Check	260.76
161715	08/30/2019	IWINA M. VAN BEEK	Accounts Payable Check	230.00
161716	08/30/2019	SABRINA T. VAN BEEK	Accounts Payable Check	23.00
161717	08/30/2019	THOMAS F. VELASQUEZ	Accounts Payable Check	50.00
161718	08/30/2019	VERIZON WIRELESS	Accounts Payable Check	1,951.39
161719	08/30/2019	VIBORG SAND & GRAVEL, INC.	Accounts Payable Check	12,742.00
161720	08/30/2019	VINO VICE, INC.	Accounts Payable Check	1,518.00
161721	08/30/2019	WALLACE GROUP	Accounts Payable Check	3,719.02
161722	08/30/2019	WEST COAST AUTO & TOWING, INC.	Accounts Payable Check	45.00
161723	08/30/2019	WILKINS ACTION GRAPHICS	Accounts Payable Check	147.76
161724	08/30/2019	ANNE G. WILSON	Accounts Payable Check	990.00
				<u><u>\$ 3,690,894.53</u></u>



Atascadero City Council

Staff Report – Administrative Services Department

Goals and Policies for the use of the Mello-Roos Community Facilities Act of 1982

RECOMMENDATION:

Council adopt Draft Resolution adopting a statement of Goals and Policies for the use of the Mello-Roos Community Facilities Act of 1982.

DISCUSSION:

Pursuant to Section 53312.7(a) of the California Government Code, the City of Atascadero, shall consider and adopt local goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982.

The Statement of Goals and Policies presented as Exhibit A to Attachment 1 to this staff report provide guidance for the City in proceedings to form a Community Facilities District. The Policies are intended to be general in nature; specific details will depend on the nature of each particular formation. The Goals and Policies are intended to bring the City in compliance with Section 53312.7(a) of the Government Code and are subject to amendment by the City Council of the City of Atascadero at any time. In the event these Goals and Policies conflict with or are incompatible with any provisions of the Act in the future, the provision of the Act shall take precedence.

FISCAL IMPACT:

None. Cost of formations of Community Facilities Districts are incurred by the applicant.

ATTACHMENT:

Draft Resolution

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ADOPTING A STATEMENT
OF GOALS AND POLICIES FOR THE USE OF THE
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982**

WHEREAS, the City Council of the City of Atascadero (the "City") may undertake proceedings pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the California Government Code (the "Act"), to form a community facilities district; and

WHEREAS, Section 53312.7(a) of the California Government Code provides that a local agency shall consider and adopt local goals and policies concerning the use of the Act; and

WHEREAS, attached hereto and incorporated herein by this reference as Exhibit A is a compilation of such goals and policies (the "Goals and Policies") in accordance with the requirements of Government Code Section 53312.7(a); and

WHEREAS, this City Council desires to adopt the Goals and Policies as the City's local goals and policies concerning the use of the Act.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1: The City Council hereby adopts the Goals and Policies as the City's local goals and policies concerning the use of the Act.

SECTION 2: The City Manager, or designee, is hereby authorized and directed to take any actions and do any things which the City Manager, or designee, may deem necessary or desirable in order to accomplish the purposes of this Resolution and all such actions previously undertaken by the City Manager, or designee, are hereby ratified.

SECTION 3: This City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED at a regular meeting of the City Council held on the 10th day of September, 2019.

On motion by _____ and seconded by _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ITEM NUMBER:
DATE:
ATTACHMENT:

A-3
09/24/19
1

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

Exhibit A

**CITY OF ATASCADERO
STATEMENT OF GOALS AND POLICIES
CONCERNING USE OF THE MELLO-ROOS
COMMUNITY FACILITIES ACT OF 1982**

I. INTRODUCTION

Pursuant to Section 53312.7(a) of the California Government Code of the Mello-Roos Community Facilities Act of 1982 (the “Act”), the City of Atascadero (the “City”) hereby formally considers and adopts local goals and policies concerning the use of the Act for the establishment of community facilities districts (“CFD”) under the Act. The following goals and policies are formally submitted and are on file with the City Clerk and may be amended or supplemented by the City Council of the City (the “City Council”) at any time.

The City initiated proceedings for the formation of a CFD pursuant to the Act to finance eligible community services on an on-going basis through the levy of special taxes. At the City’s discretion, and depending upon existing circumstances, the City may also consider developer-initiated applications requesting the formation of a CFD pursuant to the Act and the issuance of bonds to finance the construction and/or acquisition of eligible public facilities.

The City has adopted this document to set forth its goals and policies for the use of the Act pursuant to Section 53312.7 of the Act. In each and every circumstance, the decision as to whether or not the City will make use of the Act is a decision that will be made solely by the City. Nothing contained herein shall be construed as obligating the City to make use of the Act in any circumstance or as granting to any person any right to have the City make use of the Act in any circumstance.

II. CFD POLICY

It is the fundamental policy of the City that, except as specifically limited by these Policies, the City Council may exercise all rights, powers, and authorities granted to it by the Act. The silence of these Policies with respect to any matter shall not be interpreted as creating any policy with regard to that matter. Any inconsistencies between these Policies and the Act, as amended, shall be resolved in favor of the Act.

III. GOALS

The City shall make the determination as to whether a proposed district shall proceed under the provisions of the Act. In selecting services and facilities to be financed, the City may finance any services or facilities permitted to be financed under the Act.

IV. ELIGIBLE PUBLIC SERVICES AND FACILITIES

The City will consider CFDs established for the provision of services eligible to be funded under the Act, including services to be provided by other public agencies, including but not limited to police and fire services, and park maintenance services. The City may consider entering into a joint community services agreement or joint exercise of powers agreement in order to finance

these services. Eligible services are as specified in the Act in Government Code section 53313, as it currently exists or may hereafter be amended.

Generally, the improvements to public facilities eligible to be financed by a CFD must have a useful life of at least five (5) years and must be owned by the City or another public agency. Subject to Section II hereof, the eligible public facilities include, but are not limited to, the types of facilities specified in Government Code section 53313.5, as it currently exists or may hereafter be amended. The City may, at its discretion, require that improvements financed by a CFD have a useful life of more than five (5) years.

The funding of public facilities to be owned and operated by public agencies other than the City shall be considered on a case-by-case basis. If the proposed financing is consistent with a public facilities financing plan approved by the City, or the proposed facilities are otherwise consistent with approved land use plans for the property, the City may consider entering into a joint community facilities agreement or joint exercise of powers agreement in order to finance these facilities.

V. PRIORITIES FOR CFD FINANCING UNDER THE ACT

In general, none of the services authorized to be provided under the Act shall have priority over the others. The eligibility of a service for funding and the priority for the funding of services will be determined at the sole discretion of the City.

Priority for CFD financing shall be given to public facilities which: (a) are necessary for economic development, or (b) are otherwise incident to an economic development project. If appropriate, the City shall prepare a public facilities financing plan as a part of the specific plan or other land use document that identifies the public facilities required to serve a project, and the type of financing to be utilized for each facility. The eligibility of a facility for financing and the priority for the financing of facilities will be determined at the sole discretion of the City.

VI. CREDIT QUALITY REQUIREMENTS FOR CFD BOND ISSUES

Although the City is not currently anticipating issuing bonds for a CFD for the financing of public facilities, it is the policy of the City to comply with all provisions of the Act in preparation of any future potential CFD bonds, including, but not limited to, Section 53345.8, as such Section may be amended from time to time. It is the goal of the City to conform, as nearly as practicable, to the California Debt and Investment Advisory Commission's Appraisal Standards for Land-Secured Financings, as such standards may be amended from time to time, provided, however, that this City Council may additionally amend such standards from time to time as it deems necessary and reasonable, in its own discretion, to provide needed public improvements within the City, while still accomplishing the goals set forth herein.

Unless otherwise specifically approved by the City Council as provided in Section 53345.8(b) or (c) of the Act, the district property value-to-lien ratio shall be at least three to one after calculating the value of the public facilities to be financed and considering any prior or pending special taxes or assessment liens. The City may require a higher value-to-lien ratio in its discretion, in consideration of current market and related conditions. Property value may be based on either assessed values as indicated on the latest County assessor's tax roll or an

appraisal (see Section VI). The appraisal must be dated within three months of the date the bonds are issued.

Less than a three to one value to lien ratio (as described above), excessive tax delinquencies, a substantial amount of vacant land, or other factors may cause the City to disallow the sale of bonds or require credit enhancement prior to bond sale.

If the City requires letters of credit or other security, the credit enhancement shall be issued by an institution, in a form and upon terms and conditions satisfactory to the City. Any security required to be provided by the applicant may be discharged by the City upon the opinion of a qualified appraiser, retained by the City, that a value-to-lien ratio of three to one has been attained per land use category, including any overlapping special assessment or special tax liens.

As an alternative to providing other security, the applicant may request that a portion of the bond proceeds be placed in escrow with a corporate agent in an amount sufficient to assure a value-to-lien ratio of at least three to one on the outstanding proceeds. The use of an escrow bond structure shall be in the sole discretion of the City.

The City may, at its option, require a financial feasibility report prior to the formation of the CFD. The report shall be prepared by or at the direction of the City. All costs for preparing the report shall be borne by the applicant/developer. An estimate of the report cost shall be made prior to initiating the study and the applicant/developer shall deposit the cost prior to starting the report.

For new development, prior to the issuance of bonds, the City may require the applicant/developer to submit a financial plan which demonstrates to the City's satisfaction the applicant/developer's ability to pay all special taxes through build out of the project.

VII. APPRAISALS

Pursuant to the Act, property value may be based either on an appraisal or on full cash value as indicated on the County Assessor's tax roll. The definitions, standards and assumptions to be used for appraisals shall be determined by City on a case-by-case basis, with input from City consultants and CFD applicants, and by reference to relevant materials and information promulgated by the State of California, including the Appraisal Standards for Land-Secured Financings prepared by the California Debt and Investment Advisory Commission. In any event, the value-to-lien ratio shall be determined based upon an appraisal by an independent Member Appraisal Institute ("M.A.I.") appraiser of the proposed CFD. The appraisal shall be coordinated by and under the direction of the City or its designee. All costs associated with the preparation of the appraisal report shall be paid by the entity requesting the establishment of the CFD through the advance deposit mechanism.

VIII. DISCLOSURE REQUIREMENTS FOR PROPERTY SELLERS AND PROSPECTIVE PROPERTY PURCHASERS

Disclosure Requirements for Developers. Developers who are selling lots or parcels that are within a CFD shall provide disclosure notice to prospective purchasers that comply with all of the requirements set forth in Section 53341.5 of the Government Code, as it now exists or may

hereafter be amended. The disclosure notice must be provided to prospective purchasers of property at or prior to the time the contract or deposit receipt for the purchase of property is executed. Developers shall keep an executed copy of each disclosure document as evidence that disclosure has been provided to all purchasers of property within a CFD.

Disclosure Requirements for the Resale of Lots. Pursuant to Section 53340.2 of the Act, the City's Administrative Services Department shall provide a notice of special taxes to sellers of property (other than developers), which will enable them to comply with their notice requirements under Section 1102.6 of the Civil Code. The City, or its designee, shall provide this notice within five working days of receiving a written request for the notice. A reasonable fee may be charged for providing the notice, not to exceed any maximum fee specified in the Act.

The City will take the following steps to ensure that prospective property purchasers are fully informed about their taxpaying obligations imposed under applicable laws:

1. Conduct all proceedings in the manner required by the Ralph M. Brown Act (Section 54950 and following of the California Government Code);
2. Cause a map of the boundaries of any proposed district to be recorded, pursuant to Section 3111 of the California Streets and Highways Code, in the Office of the San Luis Obispo County Recorder within 15 days following the adoption of a resolution of intention to form that District, pursuant to Section 53321 of the Act;
3. It will give notice, pursuant to applicable laws, prior to holding any public hearing on the establishment of a district;
4. It will record a notice of special tax lien, in the form specified by Section 3114.5 of the California Streets and Highways Code, within 15 days of the City Council's determination that the requisite number of voters are in favor of the levy of a special tax in connection with a district. Such notice will include, among other information:
 - i. A description of the rate, method of apportionment, and manner of collection of the authorized special tax;
 - ii. Information about the conditions under which, or if, the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled;
 - iii. The name(s) of the owner(s) and the assessor's tax parcel number(s) of the real property included within the community facilities district and not exempt from the special tax; and
 - iv. The name, address and telephone number of the City of Atascadero, so that the City of Atascadero may be contacted to obtain further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to the special tax lien.
5. It will, through the City's Administrative Services Department, or its designee, furnish a notice of special tax, in the form required by law to any individual requesting the notice or any owner of property subject to a special tax levied by the City within five working days of a request for such notice. The City's Administrative Services Department may charge a reasonable fee for this service, not to exceed \$50.

IX. EQUITY OF SPECIAL TAX FORMULAS AND MAXIMUM SPECIAL TAXES

The special tax formula shall be reasonable and equitable in allocating costs of services and public facilities to parcels within the CFD. Exemptions from the special tax may be given to parcels, which include but are not limited to, parcels which are publicly owned, are held by a property owners' association, are used for a public purpose such as open space or wetlands, are affected by public utility easements making impractical their utilization for other than the purposes set forth in the easements, affordable housing, or have insufficient value to support bonded indebtedness.

The maximum annual special tax, together with ad valorem property taxes, special assessments and special taxes for an overlapping financing district, including such potential taxes and assessments relating to authorized but unissued debt of public entities other than the City and any other governmental taxes, fees, and charges secured by the property (collectively, the "Overlapping Debt Burden"), in relation to the expected assessed value of each parcel upon completion of the private improvements to the parcel, is of great importance to the City in evaluating the proposed financing.

For residential parcels, the Overlapping Debt Burden shall not exceed two percent (2.0%) of the projected assessed value of each improved parcel within the district. As it pertains to commercial, industrial, or other parcels within the district, the City reserves the right to exceed the two percent (2.0%) limit if, in the City's sole discretion, it is fiscally prudent. The City, in its sole discretion, may allow an annual escalation factor on parcels within a district.

In the event that the CFD issues debt, the special tax formulas shall provide for minimum special tax levels which satisfy the following: (a) 110 percent debt service coverage for all CFD bonded indebtedness (or such lower percentage determined by City's financial advisor and underwriter to be fiscally prudent), (b) the reasonable and necessary annual administrative expenses of the CFD, and (c) amounts equal to the differences between expected earnings on any escrow fund and the interest payments due on bonds of the CFD. Additionally, the special tax formula may provide for the following: (a) any amounts required to establish or replenish any reserve fund established in association with the indebtedness of the CFD, (b) the accumulation of funds reasonably required for future debt service, (c) amounts equal to projected delinquencies of special tax payments, (d) the costs of remarketing, credit enhancement and liquidity facility fees, (e) the cost of services, (f) the cost of acquisition, construction, furnishing or equipping of facilities, (g) lease payments for existing or future facilities, (h) costs associated with the release of funds from an escrow account, and (i) any other costs or payments permitted by law. In structuring the special tax, projected annual interest earnings on bond reserve funds may not be included as revenue for purposes of the calculation.

The rate and method of apportionment of the special tax shall include a provision for a backup tax to protect against any changes in development that would result in insufficient special tax revenues to meet the debt service requirements of the district. Such backup tax shall be structured in such a manner that it shall not violate any provisions of the Act regarding cross-collateralization limitations for residential properties.

The City may retain a special tax consultant to prepare a report which: (a) recommends a special tax for the proposed CFD, and (b) evaluates the special tax proposed to determine its ability to adequately fund identified services City administrative costs, public facilities (if applicable) and

other related expenditures. Such analysis shall also address the resulting aggregate tax burden of all proposed special taxes plus existing special taxes, ad valorem taxes and assessments on the properties within the CFD.

X. CFD COST DEPOSITS AND REIMBURSEMENTS; APPLICATIONS

For applicant-initiated CFDs the City shall not incur any non-reimbursable expenses for processing and administering CFDs, unless otherwise agreed upon between applicant and City. All City and consultant costs incurred in the evaluation of CFD applications and the establishment of CFDs or annexations to CFDs will be paid by the entity requesting the establishment of or annexation to the CFD by advance deposit which shall be in an amount determined by the City's then current schedule of fees for application processing and other preliminary costs. The City shall determine the actual amount of the initial advance deposit. If additional funds are needed to off-set costs and expenses incurred by the City, the City shall make written demand upon the applicant for such funds. If the applicant fails to make any deposit of additional funds for the proceedings, the City may suspend all proceedings until receipt of such additional deposit. Expenses not chargeable to the CFD shall be directly borne by the applicant.

In the event a district is formed for City services only, the applicant/developer shall be obligated to pay in advance all expenses incurred by the City for the formation of the district. If a "service" district is not formed for any reason, the applicant/developer shall be entitled to any unused portion of the advance deposit.

In the event a CFD is not formed due to City disapproval or abandonment, or due to applicant abandonment, or the CFD is formed and bonds are not issued for any reason or the expenditure of the special tax for ongoing City services is not authorized, the City will refund to applicant/developer any remaining unexpended and unobligated portion of advance deposits posted with the City, subject to the City's prior and full reimbursement of all its direct and indirect costs. If the applicant/developer's advance deposit to the City is not sufficient to reimburse the City for all of its direct and indirect costs, the City will require payment of the balance due by the applicant/developer for the difference. The City shall not accrue or pay any interest on any portion of the deposit refunded to the applicant or the costs and expenses reimbursed to the applicant. Neither the City nor the CFD shall be required to reimburse the applicant or property owner from any funds other than the proceeds of bonds issued by the CFD. Unless otherwise agreed to by the City, the City shall be entitled to pay any refund to the applicant/developer listed on the application form, irrespective of any changes in the ownership or composition of the applicant/developer.

An applicant shall not be entitled to reimbursement from bond proceeds, if any, for any of the following:

- Administrative or overhead expenses, financial consultant or legal fees incurred by an applicant for the formation of a special district (this limitation does not apply to amounts advanced by the applicant to the City).
- Land-use planning and subdivision costs and environmental review costs related to such land use planning and subdivision.

- Environmental impact studies unless off-site and directly related to the project.
- Construction loan interest.
- Costs, including but not limited to, land acquisition costs incurred prior to entering into a reimbursement or acquisition agreement or the adoption of a resolution of intention to form the district.
- Attorney's fees related to the land use entitlement or subdivision process unless off-site and directly related to the project.
- On-site right-of-way and easements.
- Other overhead expenses incurred by the applicant/developer.

XI. APPLICATION PROCESS

The application form for a proposed CFD may be obtained from the Community Development Department of the City.

Completed applications shall be returned to the Community Development Department and must be accompanied by a deposit in the amount determined by the City. City staff will review the application for compliance with these goals and policies and will make a recommendation to the City Council as to whether or not to proceed with the proposed CFD.

The Council will either approve or deny the application. If approval is granted, the Council shall direct the City Manager, or designee, to engage additional consultants, negotiate necessary contracts, and collect additional developer deposits, as necessary. City staff shall submit all necessary documents and reports needed for the Council to either terminate proceedings or take action to form the CFD, call the election and, if required, issue bonds.

XII. RESPONSIBLE DEPARTMENT

The City's Administrative Services Department, which is located at 6500 Palma Avenue, Atascadero, CA 93422 (the "Administrative Services Department"), is designated as the department of the City responsible for: (i) preparing the annual roll of special tax obligations with respect to any CFD; (ii) providing information to interested persons regarding the current and estimated future tax liability of owners or purchasers of real property subject to the special tax lien; and (iii) furnishing notices of special tax as required by applicable law.

Subject to the policies of the City, and as permitted by applicable law, the Administrative Services Department may obtain the assistance of a qualified consultant to perform any of the duties set forth above, and to charge the cost of such consultant to the administrative costs of the CFD.

XIII. USE OF CONSULTANTS

The City shall select all consultants as it deems necessary for the formation of the CFD or the issuance of bonds, including the underwriter(s), bond counsel, financial advisor, appraiser,

absorption consultant, and the special tax consultant. Prior consent of the applicant shall not be required in the determination by the City of the consulting and financing team.

An applicant/developer may retain its own consultants for its own benefit, but will work through those consultants hired by the City. If the developer/applicant retains its own consultants, all costs associated therewith shall be borne by the developer/applicant, without reimbursement from bond proceeds unless otherwise agreed to by the City

XIV. EXCEPTIONS TO THESE POLICIES

The City may, in its discretion and to the extent permitted by law, waive any of the policies set forth herein in particular cases.

XV. MODIFICATION OF THESE POLICIES

The City Council reserves the right to modify or amend these Goals and Policies at any time and from time to time by resolution.



Atascadero City Council

Staff Report – Public Works Department

Measure F-14 2020 Pavement Rehabilitation Project Design Engineering Services Contract

RECOMMENDATION:

Council authorize the City Manager to execute a contract for \$210,640 with Rick Engineering Company to provide design engineering services for the Measure F-14 2020 Pavement Rehabilitation Project (Project No. C2019R02).

DISCUSSION:

Sales Tax Measure F-14 was approved by voters in November 2014 to fund the repair, maintenance, and rehabilitation of City-maintained local roadways with a one-half cent sales tax over twelve years. A list of projects to be funded with Measure F-14 revenue is developed each budget cycle by employing the Critical Point Management technique with the City's Pavement Management Program. The following roadway segments were selected by this technique and identified to be constructed with the Measure F-14 2020 Pavement Rehabilitation Project in the Capital Improvement Program (CIP) as part of the last budget cycle. A map showing these segments is also attached for reference (Attachment 1).

Road Segments in Measure F-14 2020 Rehabilitation Project

Road Segment	From	To	Length (ft)	Width (ft)	Area (sf)	2019 PCI*
Gabarda Rd*	Curbaril Ave	End	2,303	22	50,666	29/44
Junipero Ave	El Camino Real	End	3,590	22	78,980	36
Palomar Ave	El Camino Real	Castano Ave	4,013	22	88,286	33
Pueblo Ave	El Camino Real	Sombrilla Ave	1,210	27	32,670	40
Robles Ave	Santa Ysabel Ave	Sombrilla Ave	440	22	9,680	38
Sinaloa Ave	Pueblo Ave	Curbaril Ave	1,255	22	27,610	36
Sombrilla Ave*	Curbaril Ave	End	3,504	21	73,584	34/28
Sonora Ave	Valle Ave	Pinal Ave	1,425	16	22,800	14
Valle Ave*	Escarpa Ave	Curbaril Ave	4,665	22	102,630	36

*Two segments per PMP.

Total 22,405 486,906
4.24 miles

Earth Systems performed pavement deflection testing, coring and rehabilitation recommendations for each of the project's roadway segments. A report summarizing the testing and providing recommendations was included with a Request for Proposals to qualified engineering consulting firms to provide design services.

The report indicated that Sombrilla Avenue, Robles Avenue, Valle Avenue, Sonora Avenue and Gabarda Avenue are structurally inadequate and will require that at least a portion of the roadway segment include full rehabilitation. The other four roadway segments were determined to be largely in good condition and structurally sound and will likely be excellent candidates for resurfacing or light rehabilitation options. Final determination of the most cost effective pavement rehabilitation solution for each roadway segment, (using a life-cycle cost analysis), is included in the work scope during project design phase. The City also budgeted a small amount for Earth Systems Pacific to coordinate with the selected design firm.

Staff solicited proposals in August 2019 from qualified consultants to perform final design services for the Measure F-14 2020 Pavement Rehabilitation Project. Services in the proposal include topographic survey services and survey monument research, pavement engineering analysis, preparing construction plans, specifications, cost estimates (PS&E), and providing engineering assistance during the bid process. Additionally, stormwater runoff and drainage analysis will be performed to remedy current issues, to ensure positive drainage on the pavement surface and proper conveyance. Given the number of roadway segments included with the 2020 project, and the lack of edge improvements, it is expected that drainage improvements will be more extensive than on past projects. Finally, federal law requires that existing curb ramp facilities be upgraded to comply with ADA requirements when the adjacent roadway is rehabilitated. It is anticipated that up to fifteen curb ramps will need to be replaced as part of this project, and the design component of that work is included in the consultant's scope of work – most of which are at El Camino Real intersections.

Staff received four proposals from qualified consultants (North Coast Engineering, Rick Engineering Company (RICK), Pavement Engineering Inc., and TAIT & Associates, Inc.). Proposals were individually reviewed and scored by a selection committee according to experience with similar projects, responsiveness to City needs, experience of key personnel and other factors. This year, City staff was particularly interested in the ability of the selected consultant to complete the design project on schedule in order to avoid construction late in the upcoming year. The City was fortunate to receive excellent proposals from all four companies, but agreed unanimously that RICK submitted the most qualified proposal.

RICK provided a detailed fee estimate worksheet with their proposal that included labor hours/costs, reimbursable expenses, and subconsultant fees for the work scope identified in the City's request for proposals. Staff reviewed RICK's work scope and fee and have determined that it is reasonable given the number of roadway segments and detailed design items included. Staff is recommending awarding a contract with RICK on a time and material basis for an estimated maximum fee of \$210,640 for design engineering services for the project.

Design work is anticipated to take approximately five months to complete. Staff anticipates publicly bidding the project sometime in March 2020 with construction occurring between May and November 2020.

FISCAL IMPACT:

This project is included in the adopted FY2019-2021 budget that includes \$2,650,000 in Measure F-14 Funding.

ESTIMATED EXPENDITURES	
Deflection Testing, Coring, and Recommendations (Previously Completed – Earth Systems Pacific)	29,500
Engineering Design, Topographic Survey	225,500
Construction Contract	1,840,000
Coordination, Inspection and Support @ 10%	185,000
Construction Contingency @ 20%	370,000
Total Estimated Expenditures:	\$2,650,000

BUDGETED FUNDING SOURCES	
Sales Tax Measure F-14 Fund- 2019 Pavement Rehabilitation Project	\$2,650,000
Total Estimated Funding Sources	\$2,650,000

Projected Net Project Surplus / (Shortfall)	\$-
--	------------

ALTERNATIVES:

Council may direct staff to resolicit for design engineering services for the project, but staff does not recommend this since all proposals received were qualified and competitive.

ATTACHMENT:

Measure F-14 2019 Project Street Locations

LEGEND:

 2020 REHABILITATION SEGMENT

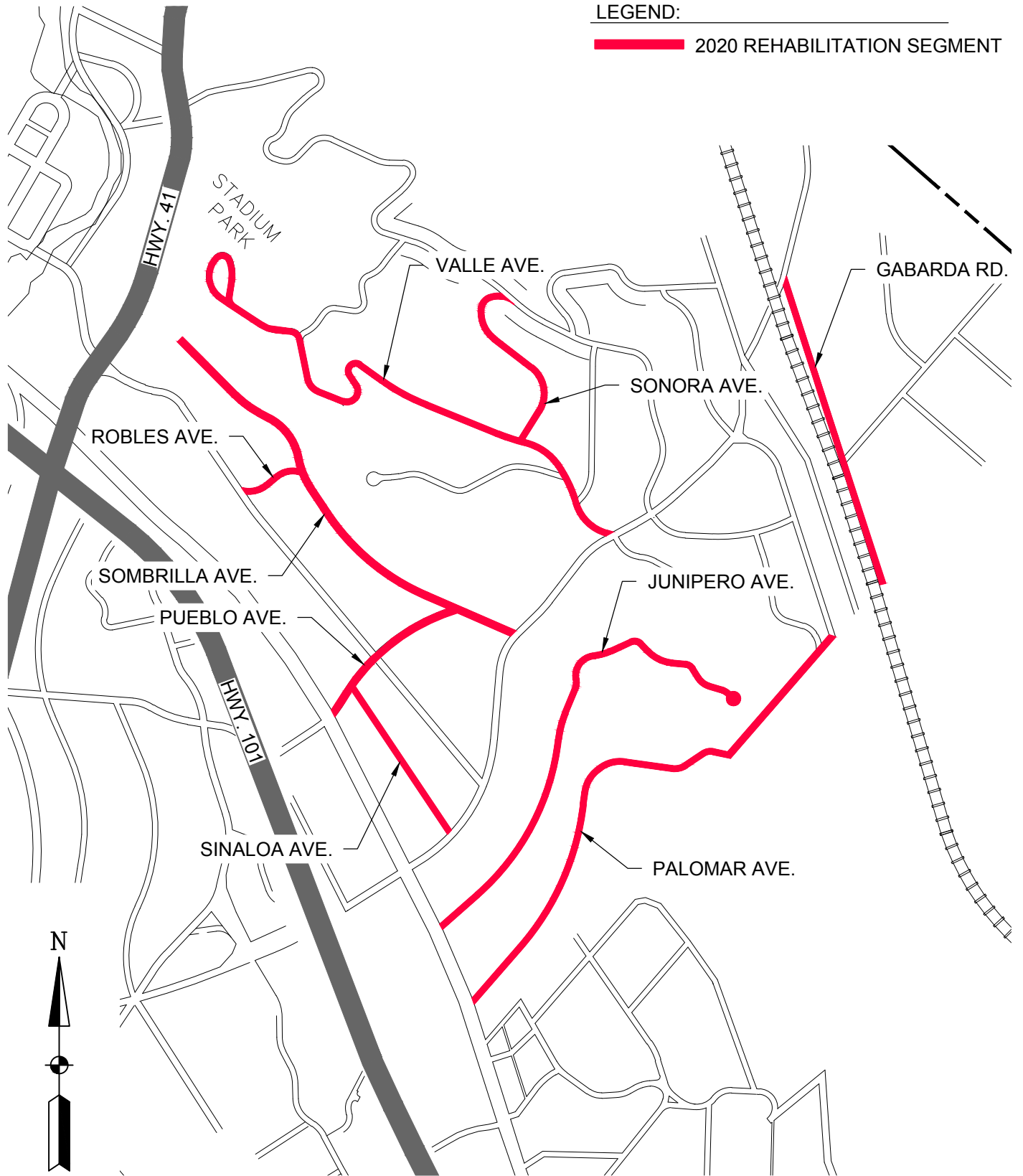


EXHIBIT
 2020 F-14 PMP PROJECT
 STREET LOCATIONS

DRAWN BY:	R. HAYES
DATE:	8/14/2019
SCALE:	1"=2000'
PAGE NO:	1 OF 1



Atascadero City Council

Staff Report - Public Works Department

Parcel Map AT 17-0088 (La Plaza)

RECOMMENDATIONS:

Council:

1. Approve Parcel Map AT 17-0088, including abandonment of public right-of-way as shown on said map, and associated Subdivision Improvement Agreement.
2. Authorize the City Manager to execute the Subdivision Improvement Agreement for Parcel Map AT 17-0088 on behalf of the City Council.

DISCUSSION:

Tentative Parcel Map AT 17-0088 (La Plaza) was approved by the Atascadero Planning Commission on March 6, 2018 (PC Resolution 2018-0010). On April 10, 2018, the City Council approved Tentative Parcel Map AT 17-0088, including the following:

1. A road abandonment to vacate portions of an easement for public use along El Camino Real, and a portion of right-of-way on Atascadero Avenue pursuant to Section 8332 of the California Streets and Highways Code; and
2. A vehicular closure of Atascadero Avenue for the construction of a public pedestrian plaza pursuant to Section 12920 of the California Streets and Highways Code.

Staff has been working with the applicant since the Council's approval of the tentative parcel map, including review of the parcel map, public improvement plans, subdivision improvement agreement and bonding. The applicant has performed various grading and drainage activities on the site, including constructing a portion of the public improvements related to relocation of a sanitary sewer main.

The Community Development Director and City Engineer find that Parcel Map AT 17-0088 is in substantial conformance with Tentative Parcel Map AT 17-0088. Staff recommends approving Parcel Map AT 17-0088. Furthermore, the City Engineer has approved an engineer's estimate of probable construction costs for the public improvement plans required to be completed with the parcel map. The applicant has entered into a subdivision improvement agreement for these improvements and provided

required bonds to guarantee this work. All documents to be recorded concurrently with the parcel map have been reviewed by staff. All final original documents will be available prior to Council's consideration of this item.

FISCAL IMPACT:

No direct fiscal impacts to City budgets. Completion of this project has large potential for downtown economic development.

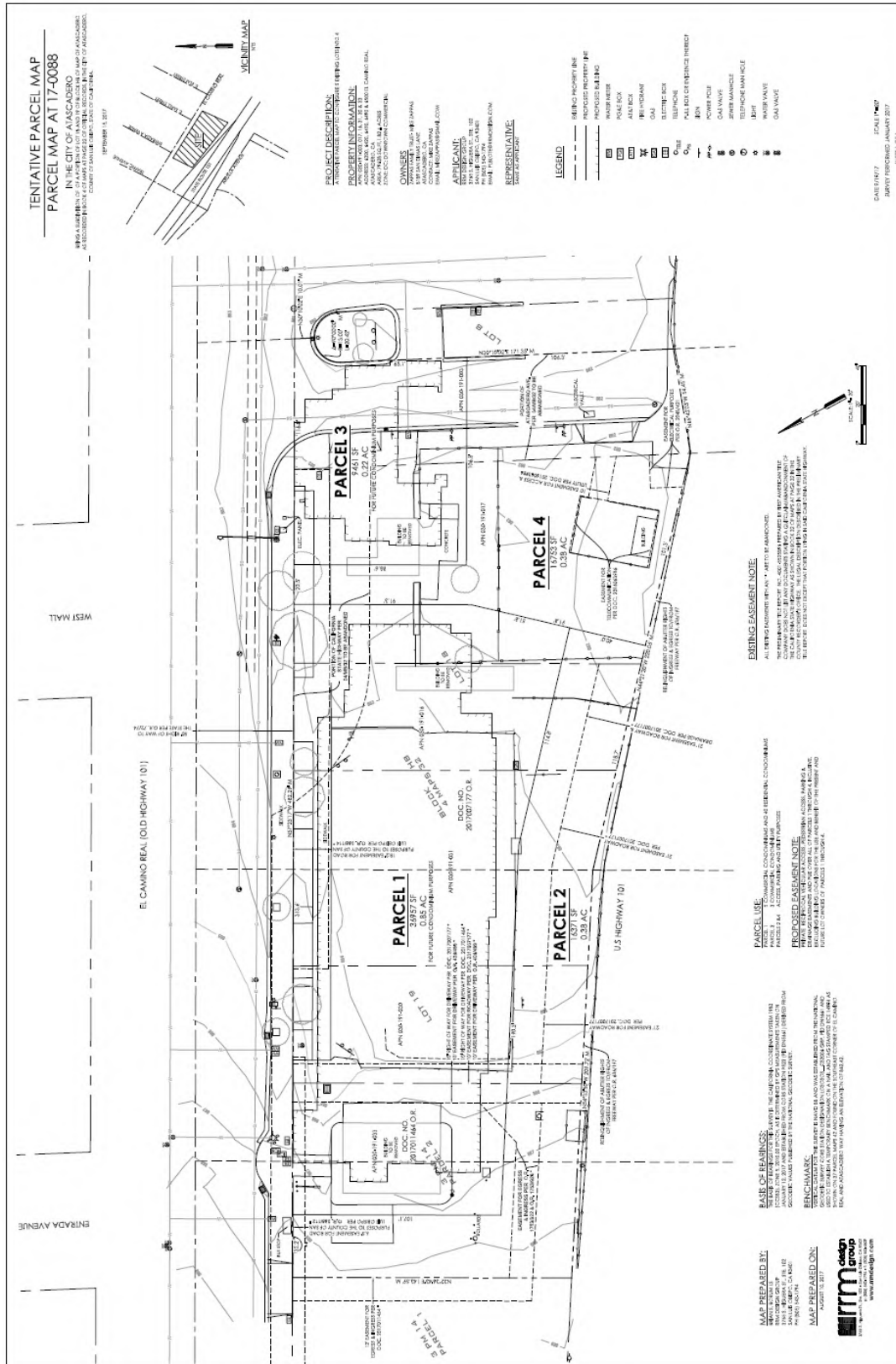
ALTERNATIVES:

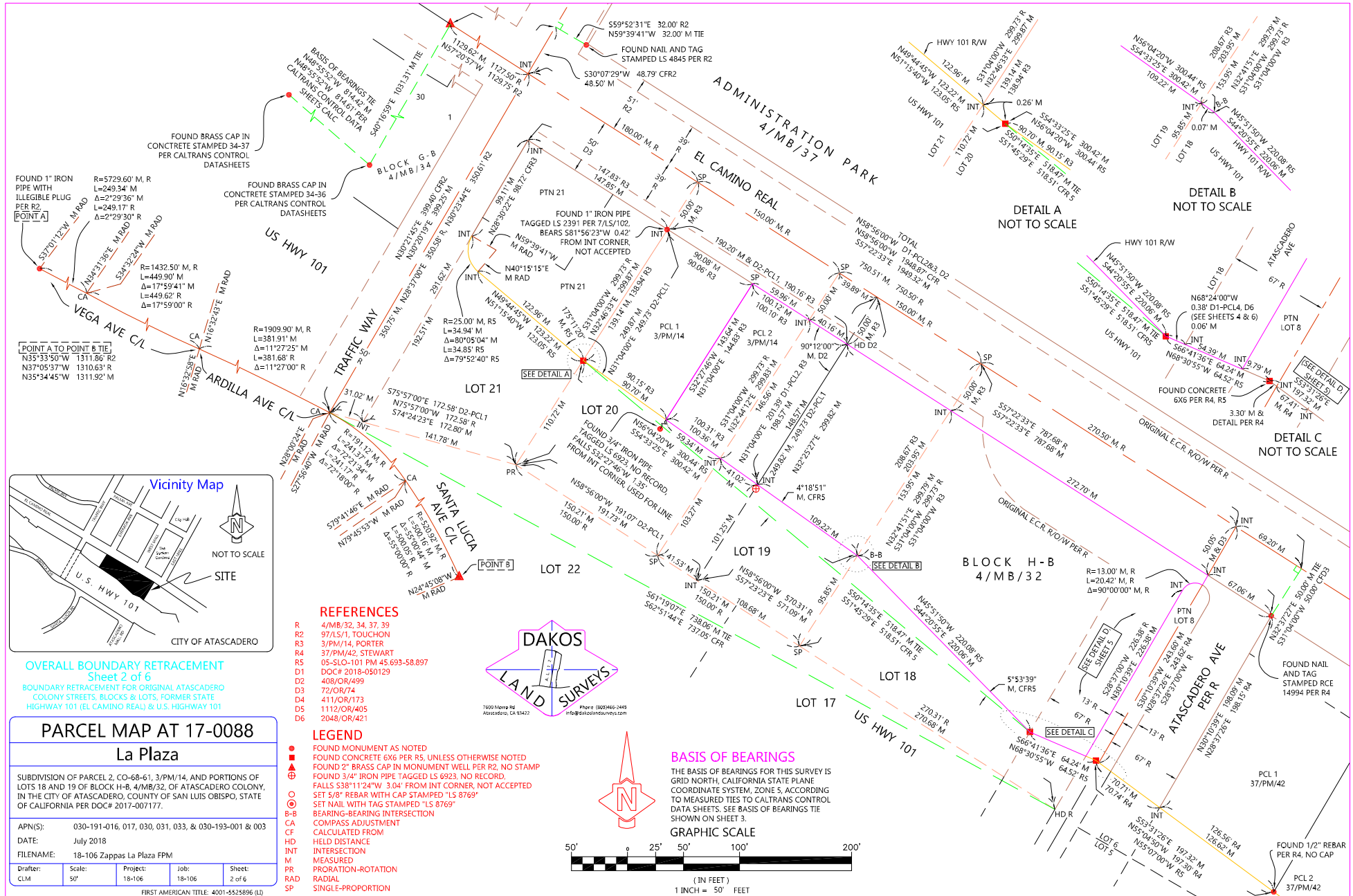
The Council cannot deny a parcel map if it is deemed to be in substantial conformance with the tentative parcel map and all conditions have been met. If the Council rejects the parcel map, they must make specific findings as to why they're doing so, in accordance with the Subdivision Map Act.

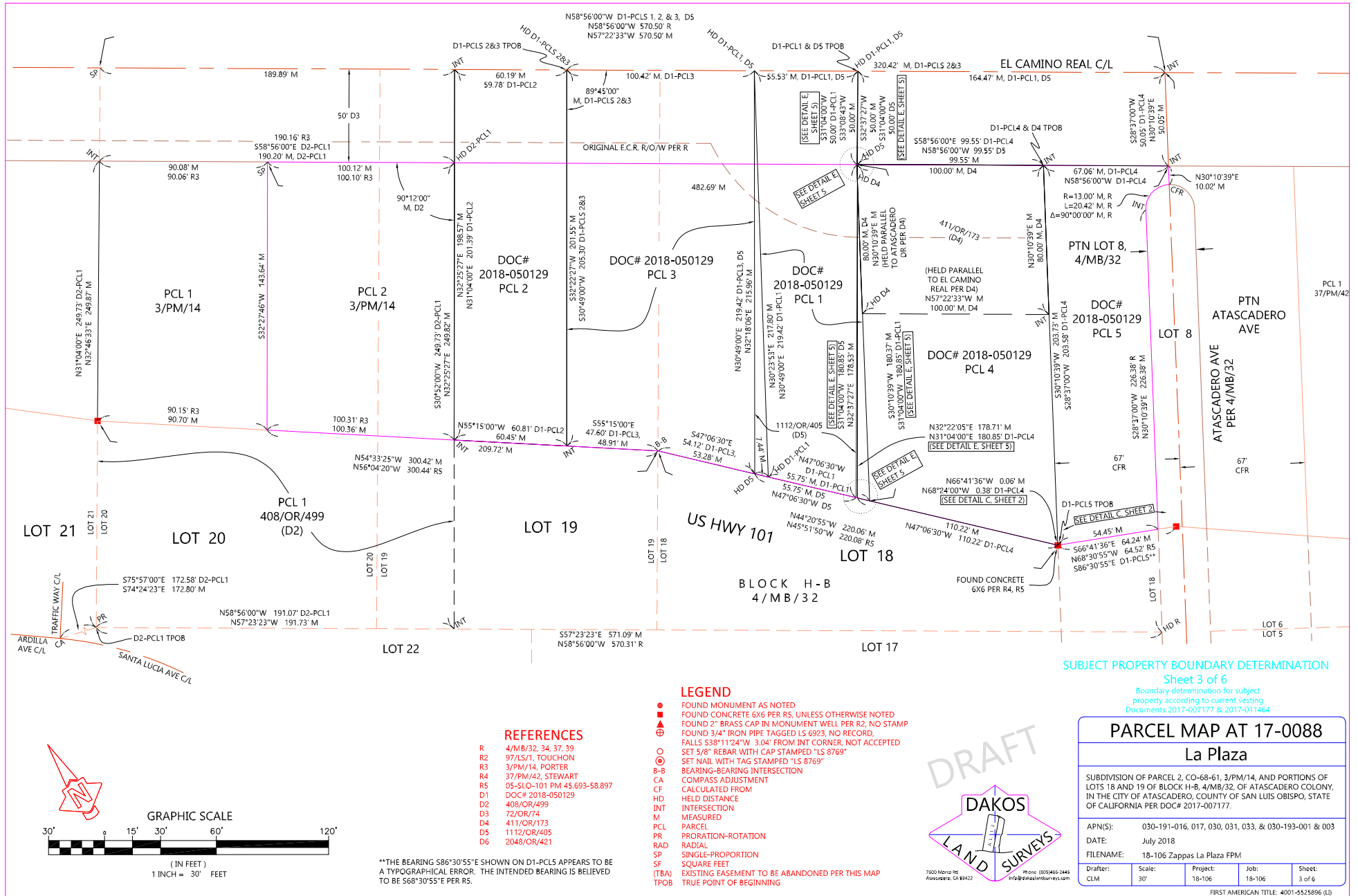
ATTACHMENTS:

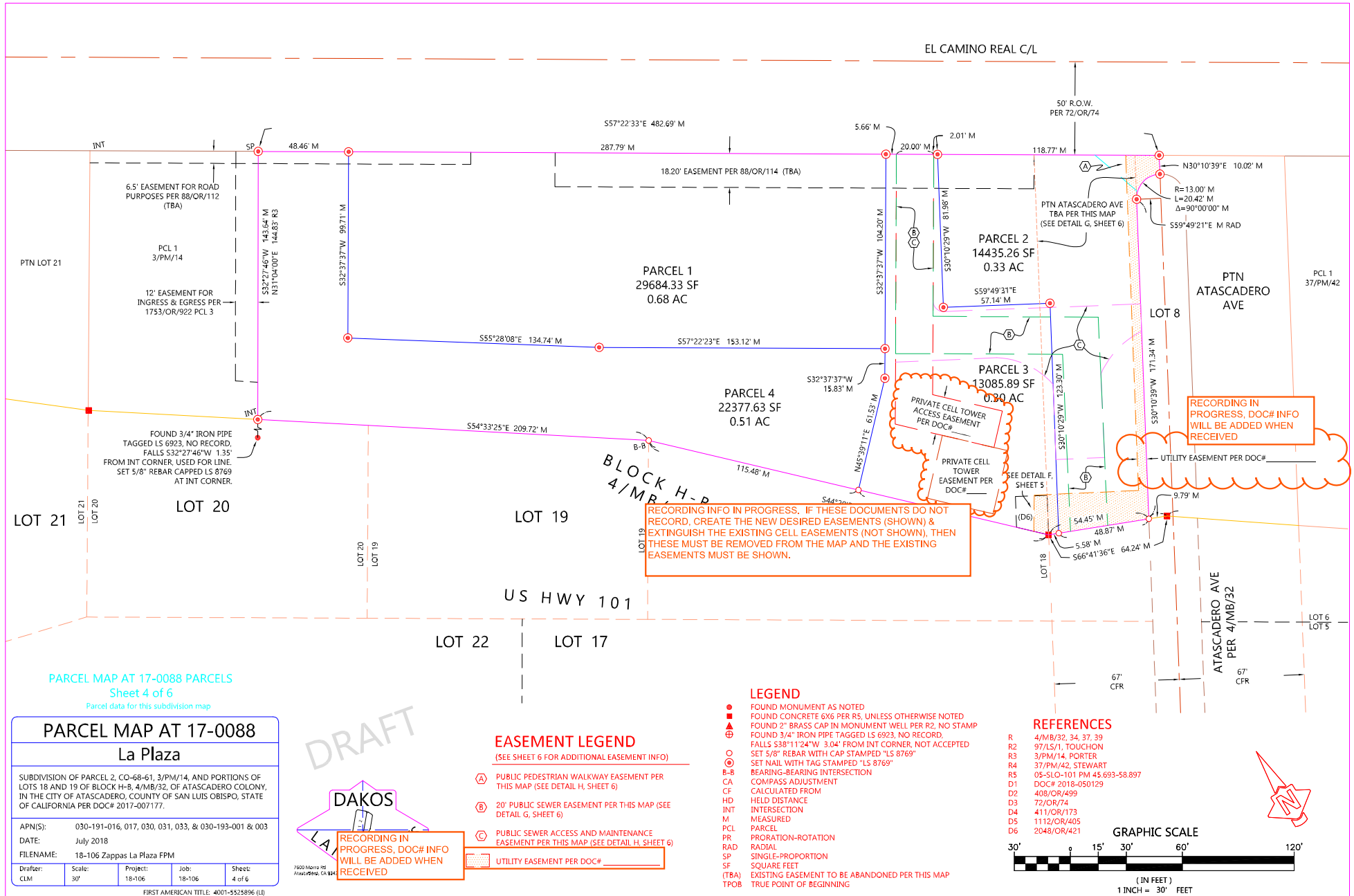
1. Tentative Parcel Map AT 17-0088
2. Parcel Map AT 17-0088 (Preliminary)
3. Subdivision Improvement Agreement and Bond Forms (Preliminary)

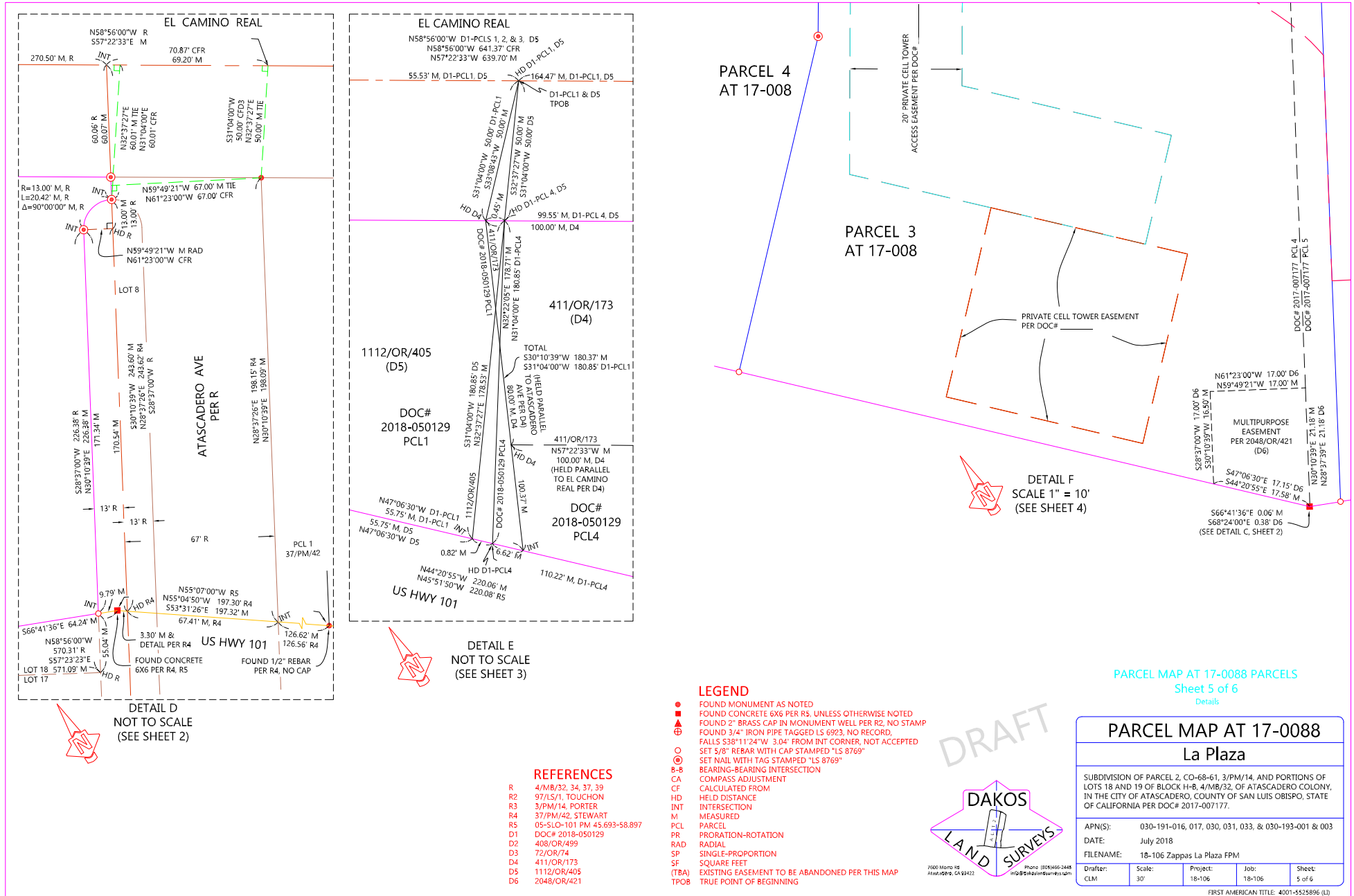
TENTATIVE PARCEL MAP

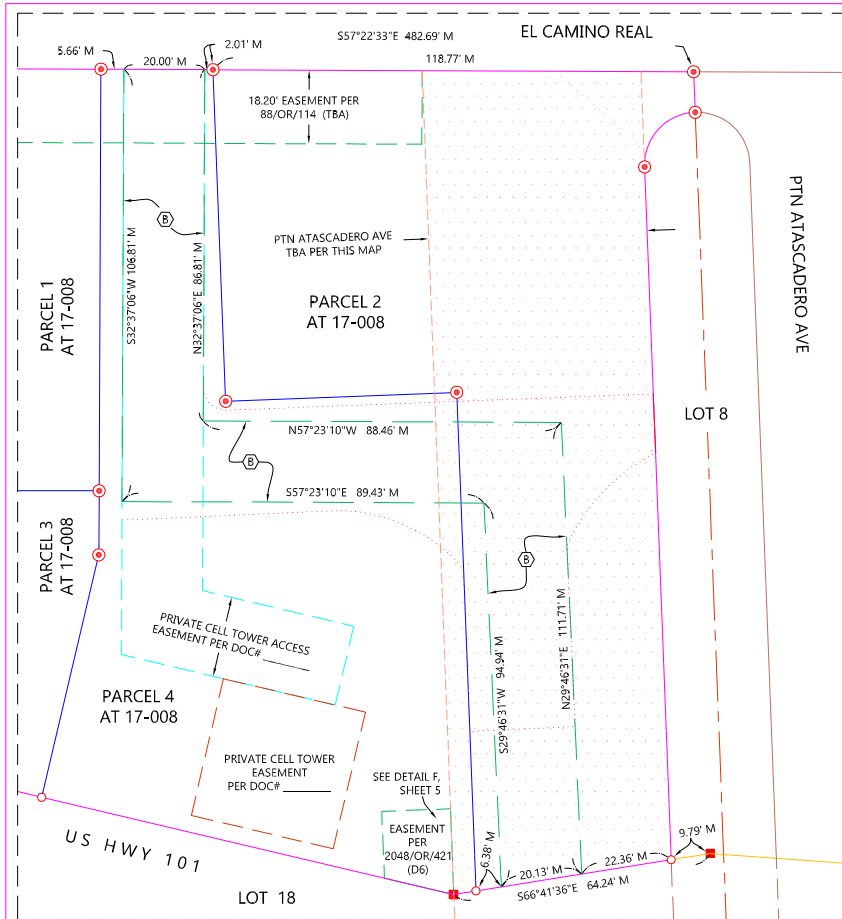




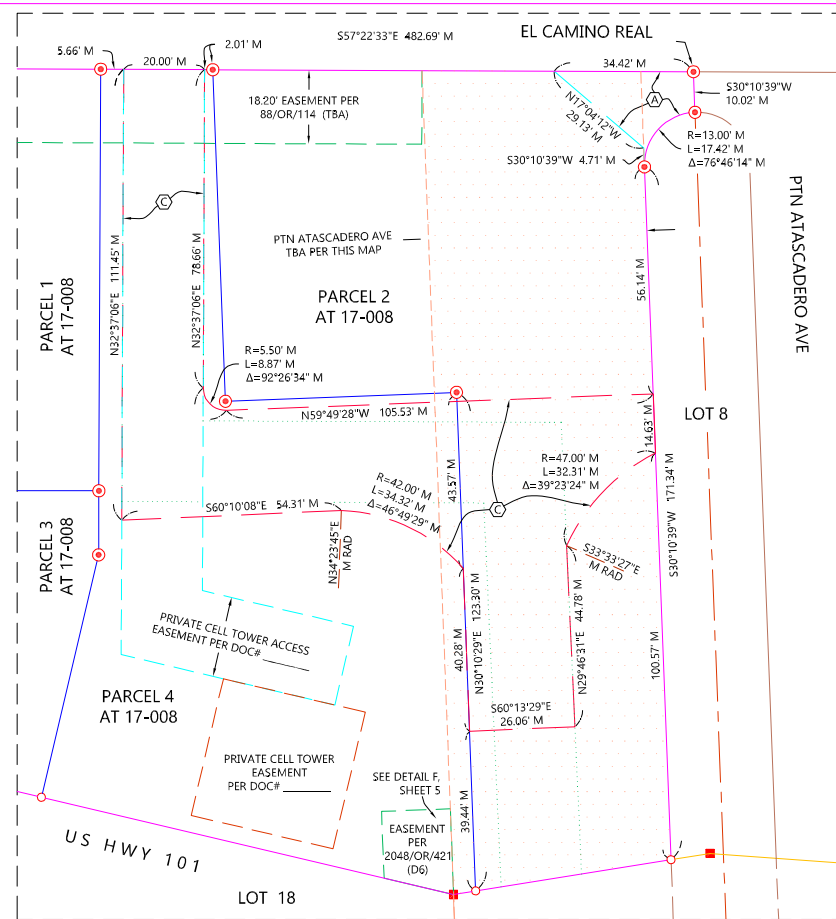








DETAIL G:
PUBLIC SEWER MAIN EASEMENT INFO
(SEE SHEET 4)



DETAIL H:
PUBLIC SEWER ACCESS AND MAINTENANCE EASEMENT
AND PUBLIC PEDESTRIAN WALKWAY EASEMENT INFO
(SEE SHEET 4)

LEGEND

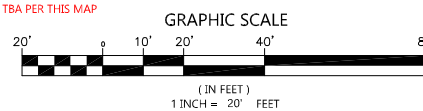
- FOUND MONUMENT AS NOTED
- FOUND CONCRETE 6X6 PER R5, UNLESS OTHERWISE NOTED
- ▲ FOUND 2" BRASS CAP IN MONUMENT WELL PER R2, NO STAMP
- FOUND 3/4" IRON PIPE TAGGED LS 6923, NO RECORD, FALLS S38°11'24"W 3.04' FROM INT CORNER, NOT ACCEPTED
- ⊕ SET 5/8" REBAR WITH CAP STAMPED "LS 8769"
- ⊙ SET NAIL WITH TAG STAMPED "LS 8769"
- ⊗ BEARING-BEARING INTERSECTION
- CA COMPASS ADJUSTMENT
- CF CALCULATED FROM
- HD HELD DISTANCE
- INT INTERSECTION
- M MEASURED
- PCL PARCEL
- PR PRORATION-ROTATION
- RAD RADIAL
- SP SINGLE-PROPORTION
- SF SQUARE FEET
- (TBA) EXISTING EASEMENT TO BE ABANDONED PER THIS MAP
- TPOB TRUE POINT OF BEGINNING

REFERENCES

- R 4/MB/32, 34, 37, 39
- R2 97/LS/1, TOUCHON
- R3 3/PM/14, PORTER
- R4 37/PM/42, STEWART
- RS 05-SLO-101 PM 45.693-58.897
- D1 DOC# 2018-050129
- D2 408/OR/499
- D3 72/OR/74
- D4 411/OR/173
- D5 1112/OR/405
- D6 2048/OR/421

EASEMENT LEGEND

- (A) PUBLIC PEDESTRIAN WALKWAY EASEMENT PER THIS MAP
- (B) 20' PUBLIC SEWER EASEMENT PER THIS MAP
- (C) PUBLIC SEWER ACCESS AND MAINTENANCE EASEMENT PER THIS MAP
- PTN ATASCADERO AVE TBA PER THIS MAP



7000 Morris Rd
Alhambra, CA 91802
Phone: (951) 466-2445
info@dalosurveys.com

PARCEL MAP AT 17-0088 PARCELS Sheet 6 of 6

DETAILS TO CLARIFY PROPOSED EASEMENTS. BOTH DETAILS
DEPICT THE SAME GENERAL AREA AND PARCEL LINES.

PARCEL MAP AT 17-0088

La Plaza

SUBDIVISION OF PARCEL 2, CO-68-61, 3/PM/14, AND PORTIONS OF
LOTS 18 AND 19 OF BLOCK H-B, 4/MB/32, OF ATASCADERO COLONY,
IN THE CITY OF ATASCADERO, COUNTY OF SAN LUIS OBISPO, STATE
OF CALIFORNIA PER DOC# 2017-007177.

APN(S):	030-191-016, 017, 030, 031, 033, & 030-193-001 & 003
DATE:	July 2018
FILENAME:	18-106 Zappas La Plaza FPM
Drafter:	CLM
Scale:	20'
Project:	18-106
Job:	18-106
Sheet:	6 of 6

FIRST AMERICAN TITLE: 4001-5525896 (LL)

NO FEE DOCUMENT

Government Code § 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

CITY OF ATASCADERO

6500 Palma Avenue

Atascadero, CA 93422

Attention: City Clerk

SUBDIVISION IMPROVEMENT AGREEMENT

This Subdivision Improvement Agreement (“Agreement”) is made and entered into this _____ day of _____, 20____, (“Effective Date”) by and between the City of Atascadero, a municipal corporation, hereinafter referred to as “City,” and Z3 LLC, hereinafter referred to as “Subdivider.”

RECITALS

A. Subdivider has presented to the City a parcel map or final map of a proposed subdivision of land located within the corporate limits of the City that has been prepared in accordance with the Subdivision Map Act of the State of California, the subdivision ordinances of the City, and the tentative map of the Subdivision previously approved by the City Council.

B. The proposed subdivision of land is commonly known and described as Parcel Map AT 17-0088 (La Plaza), and is hereinafter referred to as the “Subdivision” or the “Project.”

C. Subdivider has requested approval of the parcel map or final map prior to the construction and completion of the public improvements, including, but not limited to streets, highways, public ways, sidewalks, curbs, gutters, storm drainage facilities, street and traffic signal lighting, public utility facilities, median and parkway landscaping and irrigation, design standards which are part of the provisions for lot grading and drainage in or appurtenant to the Subdivision, and other public improvements that are required by the Subdivision Map Act, the Subdivision ordinances of the City, the tentative map (and approvals given in connection therewith), and final grading plan, if any, approved by the City. The foregoing improvements are hereinafter referred to as “the Required Improvements,” as further described in Attachment “A.”

NOW, THEREFORE, the parties agree as follows:

1. Performance of Work. Subdivider agrees to furnish, construct and install at Subdivider’s own expense the Required Improvements as shown on the plans and specifications of the Subdivision, a copy of which is on file in the office of the City Engineer, and is incorporated herein by reference, along with any changes or modifications as may be required by the City Engineer due to errors, omissions, or changes in conditions. The plans and specifications of the Required Improvements may be modified by the Subdivider as the development progresses,

subject to the prior written approval of the City Engineer. The total estimated cost of the Required Improvements, as determined by the City Engineer, is seven hundred seven thousand nine hundred dollars (\$707,900).

a. Credit for Partially Completed Required Improvements. Subdivider has completed a portion of the Required Improvements related to public sanitary sewer work estimated to be forty nine thousand one hundred dollars (\$49,100), as determined by the City Engineer. The amount will be credited to Subdivider and deducted from the total estimated cost of the Required Improvements to establish the total remaining estimated cost for the Required Improvements to be six hundred fifty eight thousand eight hundred dollars (\$658,800).

2. Work; Satisfaction of City Engineer. All of the work on the Required Improvements is to be done at the places, of the materials, and in the manner and at the grades, all as shown upon the approved plans and specifications and the City's Improvement Standards and Specifications, to the satisfaction of the City Engineer or the designee of the City Engineer. Subdivider shall protect, maintain and repair all work installed by subdivider prior to the acceptance of the Required Improvements, including, but not limited to, signing and striping, activation of all street lighting, traffic signals and irrigation controllers and payment of all energy costs through the warranty period.

3. Injury to Public Improvements, Public Property or Public Utilities Facilities. Subdivider shall replace or repair, or have replaced or repaired, all public improvements, public utility facilities, and surveying or Subdivision monuments which are destroyed or damaged in the performance of any work under this Agreement. Subdivider shall bear the entire cost of replacement or repairs of any and all public or private utility property damaged or destroyed in the performance of any work done under this Agreement, whether such property is owned by the United States or any agency thereof, or the State of California, or any agency or political subdivision thereof, or by the City or any public or private utility corporation or by any combination of such owners. Any repair or replacement shall be to the satisfaction of the City Engineer.

4. Inspection by City. Subdivider shall at all times maintain proper facilities and safe access for inspection of the public improvements by City and to the shops wherein any work is in preparation. Upon completion of the work, the Subdivider may request a final inspection by the City Engineer or the City Engineer's representative. If the City Engineer or the designated representative determine that the work has been completed in accordance with this Agreement, then the City Engineer shall recommend the acceptance of the public improvements to the City Council. No improvements shall be finally accepted unless all aspects of the work have been inspected and determined to have been completed in accordance with the Improvement Plans and City standards and the City Council has taken action to accept the improvements. Subdivider shall bear all costs of plan check, inspection and certification.

5. Subdivider's Obligation to Warn Public During Construction. Until final acceptance of the Required Improvements, Subdivider shall give good and adequate warning to the public of each and every dangerous condition existing in said improvements, and will take reasonable actions to protect the public from such dangerous condition.

6. Superintendence by Subdivider. Subdivider shall require each contractor and subcontractor to have a competent foreman on the job at all times when that contractor or subcontractor, or any employee or agent thereof, is performing work on the Required Improvements. In addition, Subdivider shall maintain an office with a telephone and Subdivider or a person authorized to make decisions and to act for Subdivider in Subdivider's absence shall be available on the job site within three (3) hours of being called at such office by the City during the hours of 9:00 A.M. through 5:00 P.M., Monday through Friday, or any other day or time when work is being performed on the Required Improvements. Furthermore, Subdivider shall designate and provide contact information for a qualified representative who is familiar with the Required Improvements and is available for after hours and weekend urgencies during construction of the Required Improvements.

7. Time for Completion of Performance. The Work on the Required Improvements shall be completed within two years of the Effective Date of this Agreement. (hereafter "Completion Date"). The Required Improvements shall not be deemed to be completed until accepted in writing by the City.

8. Time of Essence; Extension.

a. Time is of the essence of this Agreement. The City Engineer may extend the Completion Date for a maximum of two years. Any extensions of the Completion Date by the City Engineer shall be in the sole and complete discretion of the City Engineer. All other extensions of the Completion Date shall be made only by the City Council. Extensions shall be granted only upon a showing of good cause by the Subdivider at a City Council meeting. Any extensions of the Completion Date by the City Council shall be in the sole and complete discretion of the City Council.

b. Requests for extension of the completion date shall be in writing and delivered to the City in the manner hereinafter specified for service of notices. An extension of time, if any, shall be granted only in writing, and an oral extension shall not be valid or binding on the City.

c. In the event the City extends the time for completion of the Required Improvements, such extension may be granted without notice by the City to the Subdivider's surety and shall in no way release any guarantee or security given by the Subdivider pursuant to this Agreement, or relieve or release those providing an improvement security pursuant to this Agreement. The surety or sureties, if any, in executing the securities shall be deemed to have waived notice of any such extensions and expressly agreed to any such extension of time.

d. In granting any extension of time, the City may require new or amended improvement security in amounts increased to reflect increases in the costs of constructing the Required Improvements or impose other conditions to protect its interests and ensure the timely completion of the Required Improvements.

9. Utility Undergrounding and Relocation Costs. Subdivider shall assume all costs for utility and cable television undergrounding and/or relocation which is not the responsibility of

the cable television, gas, electric, telephone, or other utility company under the terms of the franchises with the City or otherwise imposed upon the utility companies by law.

10. Improvement Security. Concurrently with the execution of this Agreement, the Subdivider shall furnish the City with:

a. Faithful Performance Security. Subdivider shall provide faithful performance security as set forth in the Atascadero Municipal Code section 11-8.14 to secure faithful performance of this Agreement (the “faithful performance” security). This security shall be in the amount of one hundred percent (100%) of the total estimated remaining cost of the Required Improvements, as determined by the City Engineer.

b. Payment Security. Subdivider shall also provide payment security as set forth in the Atascadero Municipal Code section 11-8.14 to secure payment to the contractor, subcontractors and to persons renting equipment or furnishing labor or materials to them for the work (the “payment security”). This security shall be in the amount of fifty percent (50%) of the total estimated remaining cost of the Required Improvements, as determined by the City Engineer and shall secure the obligations set forth in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

c. Guarantee and Warranty Security. Subdivider shall also file with this Agreement a “guarantee and warranty security” in the amount of ten percent (10%) of the total estimated cost of the Required Improvements, as determined by the City Engineer, to guarantee and warrant the Required Improvements for a period of one year following their completion and acceptance by the City Council against any defective work or labor done, or defective materials furnished.

d. Monument Security. Subdivider shall also file with this Agreement a “monument security” in the amount of one hundred percent (100%) of the total estimated cost of the installation of survey monuments in the Subdivision, as determined by the City Engineer, which total cost is in the amount of four thousand seven hundred eighty dollars (\$4,780), to guarantee and secure the placement of such monuments.

e. All required securities shall be in a form approved by the City Attorney.

f. Any bonds submitted as security pursuant to this section shall be executed by a surety company authorized to transact a surety business in the State of California. These bonds shall be furnished on the forms enclosed following this Agreement and shall be satisfactory to the City. The bonds shall be obtained from a responsible corporate surety (or sureties) acceptable to the City, which is licensed by the State of California to act as surety upon bonds and undertakings and which maintains in this State at least one office for the conduct of its business. The surety (or sureties) shall furnish reports as to its financial condition from time to time as requested by the City. The premiums for said bonds shall be paid by Subdivider.

g. Any bonds submitted as security pursuant to this section shall be furnished by companies who are authorized and licensed by the Insurance Commissioner as “admitted surety

insurers.” Bonds must be approved by City. Before approving the proposed surety and in order to assess the sufficiency of the Surety, the Surety shall provide the City with an original of a certificate from the clerk of San Luis Obispo County that the certificate of authority of the insurer has not been surrendered, revoked, canceled, annulled, or suspended or, in the event that it has, that renewed authority has been granted.

h. No change, alteration, or addition to the terms of this Agreement or the plans and specifications incorporated herein shall in any manner affect the obligation of the sureties, except as otherwise provided by the Subdivision Map Act.

i. The securities shall be irrevocable, shall not be limited as to time (except as to the one-year guarantee and warranty period) and shall provide that they may be released, in whole or part, only upon the written approval of the City Engineer and as provided in paragraph 11. All securities provided pursuant to this Agreement shall expressly obligate the surety for any extension of time authorized by the City for Subdivider’s completion of the Required Improvements, whether or not the surety is given notice of such an extension by the City.

j. The Attorney-in-Fact (resident agent) who executes the securities on behalf of the surety company must attach a copy of his/her Power of Attorney as evidence of his authority. A notary shall acknowledge the power as of the date of the execution of the surety bond that it covers.

11. Release of Security.

a. Any partial or complete release of any security must be approved by the City Council. Any partial or complete release that has not been approved by the City Council shall be null and void.

b. All releases of security shall be in conformity with California Government Code Section 66499.7.

12. Inspection and Other Fees. The Subdivider shall pay to the City all fees imposed in connection with the construction and inspection of the Required Improvements. These fees must be paid in full prior to the City’s acceptance of the Required Improvements. The fees referred to above are not necessarily the only City fees, charges or other costs that have been, or will be, imposed on the Subdivision and its development, and this Agreement shall in no way exonerate or relieve the Subdivider from paying such other applicable fees, charges, and/or costs.

13. Defense, Indemnification and Hold Harmless. To the fullest extent permitted by law, the Contractor agrees to indemnify, defend and hold harmless, City and any and all of City’s boards, officers, employees, agents, assigns, and successors in interest through legal counsel reasonably acceptable to the City, from and against any and all claims losses, demand and expenses, including, but not limited to, attorney’s fees and cost of litigation, on account of bodily injury, including death, or property damage arising out of or in any way connected to the work performed by Contractor under this agreement. Without affecting the rights of City under any provision of this agreement, Contractor shall not be required to indemnify and hold harmless City

for liability attributable to the active negligence of the City, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where City is shown to have been actively negligent and where City's active negligence accounts for only a percentage of the liability involved, the obligation of Contractor will be for that entire portion or percentage of liability not attributable to the active negligence of City.

This defense, indemnification and hold harmless provision shall extend to claims, losses, damage, injury, costs, including attorney fees, and liability for injuries occurring after completion of the construction of the Required Improvements as well as during construction, and shall apply regardless of whether or not the City has prepared, supplied or approved the plans and/or specifications for the Required Improvements or has inspected or accepted the same. Acceptance of insurance required under this Agreement shall not relieve Subdivider from liability under this defense, indemnification and hold harmless provision.

The parties intend that this provision shall be broadly construed to effectuate its purpose.

14. Environmental Warranty.

a. Prior to the acceptance of any dedications or improvements by City, Subdivider shall certify and warrant that: neither the property to be dedicated nor Subdivider are in violation of any environmental law and neither the property to be dedicated nor the Subdivider are subject to any existing, pending, or threatened investigation by any federal, state or local governmental authority under or in connection with any environmental law. Neither Subdivider nor any third party will use, generate, manufacture, produce, or release, on, under, or about the property to be dedicated, any hazardous substance, except in compliance with all applicable environmental laws. Subdivider has not caused or permitted the release of, and has no knowledge of the release or presence of, any hazardous substance on the property to be dedicated or the migration of any hazardous substance from or to any other property adjacent to, or in the vicinity of, the property to be dedicated. Subdivider's prior and present use of the property to be dedicated has not resulted in the release of any hazardous substance on the property to be dedicated. Subdivider shall give prompt written notice to City at the address set forth herein of:

(i) Any proceeding or investigation by any federal, state or local governmental authority with respect to the presence of any hazardous substance on the property to be dedicated or the migration thereof from or to any other property adjacent to, or in the vicinity of, the property to be dedicated;

(ii) Any claims made or threatened by any third party against City or the property to be dedicated relating to any loss or injury resulting from any hazardous substance; and

(iii) Subdivider's discovery of any occurrence or condition on any property adjoining or in the vicinity of the property to be dedicated that could cause the property to be dedicated or any part thereof to be subject to any restrictions on its ownership, occupancy, use for the purpose for which it is intended, transferability, or suit under any environmental law.

b. As used in this Agreement, the term “hazardous substance” includes any hazardous or toxic substance or material or waste, including but not limited to all types of gasoline, oil, and other petroleum hydrocarbons, asbestos, radon, polychlorinated biphenols (PCBs), or any other chemical, material, controlled substance, object, condition, waste, living organism or any combination thereof which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful properties of effects, which is now, or in the future becomes, listed, defined or regulated in any manner by any federal, state, or local City based directly or indirectly upon such properties.

15. Subdivider’s Insurance.

a. Subdivider Shall Maintain Insurance. Subdivider shall not commence any work before obtaining, and shall maintain in force at all times during the duration and performance of this Agreement, the policies of insurance specified in this Section. Such insurance must have the approval of the City as to limit, form, and amount, and shall be placed with insurers with an A.M. Best rating of no less than A:VII.

b. Subdivider to Provide Evidence of Insurance. Prior to the execution of this Agreement and prior to the commencement of any work, the Subdivider shall furnish to the City, and the City must approve, original certificates of insurance and endorsements effecting coverage for all policies required by the Agreement. Subdivider shall not allow any contractor or subcontractor to commence work until similar insurance first shall have been so obtained by such contractor or subcontractor. Certificates shall be signed by a person authorized by the insurer, or insurers, to bind coverage on their behalf. Certificate of insurance and endorsements shall be on standard Accord, Department of Insurance, and Insurance Services Office approved forms or on forms approved by the City. As an alternative to providing the City with approved forms of certificates of insurance and endorsements, the Subdivider may provide complete, certified copies of all required insurance policies, including endorsements, effecting the coverage required by this Section. At any time, at the written request of the City, Subdivider agrees to furnish one or more copies of each required policy including declarations pages, conditions, provisions, endorsements, and exclusions. Such copies shall be certified by an authorized representative of each insurer.

c. No Suspension of Insurance. Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, terminated by either party, reduced in coverage or in limits except after thirty (30) days’ prior written notice by certified mail, return receipt requested, has been given to the City.

d. Deductibles. Any deductibles, or self-insured retentions, exceeding five thousand dollars (\$5,000) must be declared to, and approved by, the City. Upon request by the City, Subdivider shall demonstrate financial capability for payment of such deductibles or self-insured retentions.

e. Coverages Shall Not Limit Obligations. The requirement as to types, limits, and the City’s approval of insurance coverage to be maintained by Subdivider are not intended to,

and shall not in any manner, limit or qualify the liabilities and obligations assumed by Subdivider under the Agreement.

f. Required Limits. Subdivider and its contractors and subcontractors shall, at their expense, maintain in effect at all times during the term of this Agreement, not less than the following coverage and limits of insurance, which shall be maintained with insurers and under forms of policy satisfactory to the City. The maintenance of Subdivider and its contractors and subcontractors of the following coverage and limit of insurance is a material element of the Agreement. The failure of Subdivider or of any of its contractors or subcontractors to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of this Agreement.

g. Workers' Compensation Insurance. Subdivider shall maintain, during the term of this Agreement, Workers' Compensation insurance for all of Subdivider's employees as required by Labor Code section 3700 of the State of California and Employer's Liability Act, including Longshoremen's and Harbor Workers' Act ("Acts"), if applicable. Employer's Liability limits shall not be less than one million dollars (\$1,000,000) per occurrence. The Subdivider shall execute a certificate in compliance with Labor Code section 1861, on the form provided in the Contract Documents. The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, and employees for losses arising from work falling within the terms of this Agreement. Subdivider shall indemnify and hold harmless the City for any damage resulting to it, including attorney fees, from failure of either Subdivider or any contractor or subcontractor to take out and maintain such insurance.

h. Commercial General Liability Insurance. Subdivider shall maintain during the term of this Agreement such commercial general liability insurance as shall insure the City, its elective and appointive boards and commissions, officers, agents and employees, Subdivider and any contractor or subcontractor performing work covered by this Agreement. The insurance shall include, but not be limited to, protection against claims arising from death, bodily or personal injury, or damage to property resulting from actions, failures to act, or operations of Subdivider, any contractor's or subcontractor's operations hereunder, whether such operations are by Subdivider or any contractor or subcontractor or by anyone directly or indirectly employed by either Subdivider or any contractor or subcontractor. The amount of insurance coverage shall not be less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) per policy aggregate. As an alternative to the policy (aggregate) the Subdivider may have an aggregate limit of one million dollars (\$1,000,000) per occurrence apply. Coverage shall be at least as broad as Insurance Services Office "occurrence form CG 00 01 (ed. 10/01)" covering commercial general liability or its equivalent.

i. Endorsements. Subdivider shall see that the commercial general liability insurance shall include, or be endorsed to include, the following:

(a) Provision or endorsement naming the City of Atascadero, its officers, employees, agents, boards, commissions, and volunteers as Additional Insureds with respect to liability arising out of the performance of any work under this Agreement.

(b) Provision or endorsement stating that insurance is Primary insurance with respect to the City, its officers, employees, agents, boards, commissions, and volunteers, to the extent the City is an additional insured. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents, boards, commissions, and volunteers shall be excess of the Subdivider's insurance and shall not contribute with it.

(c) Provision or endorsement stating that the Subdivider's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability (cross-liability).

(d) Provision or endorsement stating that any failure to comply with reporting or other provisions of the policies including breaches of representations shall not affect coverage provided to the City, its officers, employees, agents, boards, commissions, and volunteers.

16. Prevailing Wage. In the event it is determined that the Subdivider is required to pay prevailing wages for the work performed under this Agreement, the Subdivider shall pay all penalties and wages as required by applicable law, and hold harmless, defend and indemnify the City for any liability the City may have for penalties and wages as required by applicable law.

17. Title to Required Improvements. The City shall not accept any real property to be dedicated or the Required Improvements unless they are constructed in conformity with the approved plans and specifications, approved modifications, if any, the approved final or parcel map, and City Improvement Standards and Specifications, to the satisfaction of the City Engineer. Until such time as the Required Improvements are accepted by the City, Subdivider shall retain title and shall be responsible for, and bear the risk of loss to, any of the improvements constructed or installed.

Title to and ownership of any real property to be dedicated and the Required Improvements constructed under this Agreement by Subdivider shall vest absolutely in the City upon completion and acceptance in writing of such Required Improvements by City. The City shall not accept the Required Improvements unless title to the Required Improvements is entirely free from lien. Prior to acceptance, Subdivider shall supply the City with appropriate lien releases, at no cost to and in a form acceptable to the City.

The City reserves the right to accept any street improvement without accepting any obligation to maintain the streets.

18. Repair or Reconstruction of Defective Work. If, within a period of one year after final acceptance by the City Council of the Required Improvements, any improvement or part of any improvement furnished and/or installed or constructed, or caused to be installed or constructed by Subdivider, or any of the work done under this Agreement materially fails to fulfill any of the requirements of this Agreement or the specifications referred to herein, Subdividershall without delay and without any cost to City, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the improvements. If the Subdivider fails to act promptly or in accordance with this requirement, or if the exigencies of the situation require repairs or replacements to be made before the Subdivider can be notified, then the City may, at its option,

make the necessary repairs or replacements or perform the necessary work, and Subdivider shall pay to City the actual cost of such repairs plus fifteen percent (15%) within thirty (30) days of the date of billing for such work by City. If the Subdivider fails to comply with the provisions of this Paragraph, then the Surety shall be required to do so.

19. Subdivider Not Agent of City. Neither Subdivider nor any of Subdivider's agents, contractors, or subcontractors are or shall be considered to be agents of the City in connection with the performance of Subdivider's obligations under this Agreement.

20. Notice of Breach and Default. The following shall constitute a default under this Agreement: If Subdivider refuses or fails to prosecute the work on the Required Improvements, or any part thereof, with such diligence as will ensure its completion within the time specified, or any extension thereof, or fails to complete the Required Improvements within such time; if Subdivider should be adjudged a bankrupt, or Subdivider should make a general assignment for the benefit of Subdivider's creditors, or if a receiver should be appointed in the event of Subdivider's insolvency; or if Subdivider or any of Subdivider's contractors, subcontractors, agents or employees should violate any of the provisions of this Agreement. In the event of Subdivider's default, Subdivider shall be deemed to be in breach of this Agreement and the City may serve written notice upon Subdivider and Subdivider's surety, if any, of the breach of this Agreement. Subdivider shall have fifteen (15) days from receipt of written notice by City to cure any default.

21. Breach of Agreement; Performance By Surety or City. In the event Subdivider is in default under this Agreement, and the applicable cure period set forth in paragraph 20. has expired without such default having been cured by Subdivider, the City may thereafter deliver a notice of breach to Subdivider's surety, if any, and such surety shall have the duty to take over and complete the work on the Required Improvements; provided, however, that if the surety within fifteen (15) days after the serving of such notice of breach upon it does not give the City written notice of the surety's intent to take over the performance of the Agreement, or does not commence performance thereof within fifteen (15) days after notice to the City of such election, then the City may take over the work and prosecute the same to completion by contract, or by any other method the City may deem advisable, for the account and at the expense of the Subdivider, and the Subdivider's surety shall be liable to the City for any excess cost or damages incurred by the City. In such event, the City, without liability for so doing, may take possession of and utilize in completing the work such materials, appliances, plants or other property belonging to Subdivider as may be on the site of the work and necessary therefore. The remedy provided by this paragraph is in addition to, and not in lieu of, other remedies available to the City. The City reserves to itself all remedies available to it at law or in equity for a breach of Subdivider's obligations under this Agreement. In addition to any other remedy the City may have, a breach of this Agreement by the Subdivider shall constitute consent to the filing by the City of a notice of violation against all the lots in the Subdivision. Subdivider agrees that the choice of remedy or remedies for Subdivider's breach shall be in the discretion of the City.

If the form of improvement security is other than a bond, the City, after giving notice of breach of the Agreement, may proceed to collect against the improvement security in the manner provided by law and by the terms of the security instrument.

22. Building Permit Sign-Off or Issuance of Certificate of Occupancy. The City will not final or sign off as complete any building permit or issue any certificate of occupancy for any building constructed within the Subdivision until and after such time as the City accepts the Required Improvements.

23. Notices. All notices required under this Agreement shall be in writing, and delivered in person or sent by registered or certified mail, postage prepaid.

Notices required to be given to City shall be addressed as follows:

City Engineer
City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422

Notices required to be given to Subdivider shall be addressed as follows:

Max Zappas
Z3 LLC
P.O. Box 1327
Atascadero, CA 93423

Any party may change such address by notice in writing to the other party and thereafter notices shall be addressed and transmitted to the new address.

24. Guaranteeing Payment to City. Subdivider shall guarantee payment to City for all engineering and inspection costs and fees not previously paid and all other incidental costs incurred by the City in enforcing this Agreement.

25. Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement.

26. Attorney Fees. In the event any legal action is brought to enforce or interpret this Agreement, the prevailing party shall be entitled to an award of reasonable attorney fees, in addition to any other relief to which it may be entitled.

27. Personal Nature of Subdivider's Obligations/Assignment. All of Subdivider's obligations under this Agreement are and shall remain the personal obligations of Subdivider notwithstanding a transfer of all or any part of the property within the Subdivision subject to this Agreement, and Subdivider shall not assign any of its obligations under this Agreement without the prior written consent of the City.

28. Acquisition and Dedication of Easements or Rights-of-Way. If any of the Required Improvements are to be constructed or installed on land not within the Subdivision or an already existing public right-of-way, no construction or installation shall be commenced before:

a. The irrevocable offer of dedication or conveyance to City of appropriate rights-of-way, easements or other interests in real property, and appropriate authorization from the property owner to allow construction or installation of the Required Improvements, or

b. The issuance of an order of possession by a court of competent jurisdiction pursuant to the State Eminent Domain Law. Subdivider shall comply in all respects with any such order of possession.

Nothing in this paragraph shall be construed as authorizing or granting an extension of time to Subdivider for completion of the Required Improvements. Nothing in this Paragraph shall be construed as requiring the City to accept any street improvements for maintenance.

29. Compliance with Laws. Subdivider, its agents, employees, contractors, and subcontractors shall comply with all federal, state and local laws in the performance of the work required by this Agreement, including but not limited to obtaining all applicable permits and licenses.

30. No Vesting of Rights. Entering into this Agreement shall not be construed to vest Subdivider's rights with respect to any change in any zoning or building law or ordinance.

31. Approvals by City. Any approval or consent that is to be given by the City under this Agreement shall be in writing, and any approval or consent that is not in writing shall not be binding on the City.

32. Construction and Interpretation. It is agreed and acknowledged by Subdivider that the provisions of this Agreement have been arrived at through negotiation, and that Subdivider has had a full and fair opportunity to revise the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

33. Successors and Assigns -- Covenant Running With the Land. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the respective parties. A memorandum of this Agreement in the form attached hereto shall be recorded in the Office of the Recorder of San Luis Obispo County concurrently with the final map or parcel map of the Subdivision. This Agreement shall constitute a covenant running with the land and an equitable servitude upon the real property within the Subdivision.

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

35. Actions. Any action by any party to this Agreement, or any action concerning a security furnished pursuant thereto, shall be brought in the appropriate court of competent jurisdiction within the County of San Luis Obispo, State of California, notwithstanding any other

provision of law which may provide that such action may be brought in some other location. The law governing this Agreement is the law of the State of California.

36. Integration. This Agreement is an integrated agreement. It supersedes all prior negotiations, representations, or agreements, either written or oral.

37. Modification. This Agreement may be amended only by a written instrument signed by the parties. Subdivider shall bear all costs of amendments to this Agreement that are requested by the Subdivider.

IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

CITY OF ATASCADERO

By: _____
Rachelle Rickard, City Manager

ATTEST:

Lara Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

APPROVED AS TO CONTENT:

Nicholas D. DeBar, City Engineer

Z3, LLC

By: _____
Michael Zappas, CEO

ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and the not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of San Luis Obispo)

On _____ before me, _____,
Date Name and Title of Officer

personally appeared _____,
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

NOTARY PUBLIC

ATTACHMENT “A”
REQUIRED IMPROVEMENTS
FOR
PARCEL MAP AT 17-0088 (LA PLAZA)

Required improvements include construction of the City-approved Public Improvement Plans for Parcel Map AT 17-0088 and associated work as listed on the City-approved Engineer’s Estimate of Probable Construction Cost, both of which are on file at the office of the City Engineer for the City of Atascadero.

ITEM NUMBER: A-5
DATE: 09/24/19
ATTACHMENT: 3

FAITHFUL PERFORMANCE BOND

WHEREAS, the City Council of the City of Atascadero, State of California, and Z3 LLC (hereinafter designated as “principal”) have entered into an agreement whereby principal agrees to install and complete certain designated public improvements, which said agreement identified as Parcel Map AT 17-0088 (La Plaza), is hereby referred to and made a part hereof; and

WHEREAS, said principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement.

NOW, THEREFORE, we, the principal and _____, as surety, are held and firmly bound unto the City of Atascadero (hereinafter designated as “City”), in the penal sum of six hundred fifty eight thousand eight hundred dollars (\$658,800) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bounded principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless City, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney’s fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

IN WITNESS WHEREOF, this faithful performance bond has been duly executed by the principal and surety above named, on _____, 2019.

_____ Name of Surety	_____ Principal
	By: _____
	Title: _____

_____ Mailing Address of Surety	and
	By: _____
_____ Telephone No. of Surety	Title: _____

By: _____
Attorney in Fact

NOTE: If principal is a partnership, all partners should execute the bond.

IMPORTANT: Surety companies executing bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in California.

NOTICE: The signature of the Surety on this bond must be acknowledged before a notary public, and this bond must be accompanied by evidence that the appointment as attorney in fact has been recorded in San Luis Obispo County.

MANDATORY: The Surety shall be authorized and licensed by the California Insurance Commissioner as an "admitted surety insurer."

APPROVAL: Bonds must be approved by City.

REQUEST TO INSURER TO SUBMIT DOCUMENTS: Execution of this document shall constitute the City's formal request to the insurer to provide the City with an original of a certificate from the clerk of San Luis Obispo County that the certificate of authority of the insurer has not been surrendered, revoked, canceled, annulled, or suspended or, in the event that it has, that renewed authority has been granted.

POWER OF ATTORNEY REQUIRED. The Attorney-in-Fact (resident agent) who executes this bond on behalf of the surety company must attach a copy of his Power of Attorney as evidence of his authority. A notary shall acknowledge the power as of the date of the execution of the surety bond that it covers.

PAYMENT BOND

WHEREAS, the City Council of the City of Atascadero, State of California, and Z3 LLC (hereinafter designated as “principal”) have entered into an agreement whereby principal agrees to install and complete certain designated public improvements, which said agreement identified as Parcel Map AT 17-0088 (La Plaza), is hereby referred to and made a part hereof; and

WHEREAS, Under the terms of said agreement, principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Atascadero to secure the claims to which reference is made in the Civil Code of the State of California.

NOW, THEREFORE, said principal and the undersigned as corporate surety, are held firmly bound unto the City of Atascadero and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of the aforesaid agreement and referred to in the Civil Code of the State of California in the sum three hundred twenty nine thousand four hundred dollars (\$329,400) lawful money of the United States, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney’s fees, incurred by City in successfully enforcing the obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under the Civil Code of the State of California, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this payment bond has been duly executed by the principal and surety above named, on _____, 2019.

Name of Surety

Principal

By: _____
Title: _____

Mailing Address of Surety

and

Telephone No. of Surety

By: _____
Title: _____

By: _____
Attorney in Fact

NOTE: If principal is a partnership, all partners should execute the bond.

IMPORTANT: Surety companies executing bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in California.

NOTICE: The signature of the Surety on this bond must be acknowledged before a notary public, and this bond must be accompanied by evidence that the appointment as attorney in fact has been recorded in San Luis Obispo County.

MANDATORY: The Surety shall be authorized and licensed by the California Insurance Commissioner as an "admitted surety insurer."

APPROVAL: Bonds must be approved by City.

REQUEST TO INSURER TO SUBMIT DOCUMENTS: Execution of this document shall constitute the City's formal request to the insurer to provide the City with an original of a certificate from the clerk of San Luis Obispo County that the certificate of authority of the insurer has not been surrendered, revoked, canceled, annulled, or suspended or, in the event that it has, that renewed authority has been granted.

POWER OF ATTORNEY REQUIRED. The Attorney-in-Fact (resident agent) who executes this bond on behalf of the surety company must attach a copy of his Power of Attorney as evidence of his authority. A notary shall acknowledge the power as of the date of the execution of the surety bond that it covers.

BOND FOR SECURITY OF INSTALLATION OF MONUMENTS

WHEREAS, the City Council of the City of Atascadero, State of California, and Z3 LLC (hereinafter designated as “principal”) have entered into an agreement whereby principal agrees to install and complete certain designated public improvements, which said agreement identified as Parcel Map AT 17-0088 (La Plaza), is hereby referred to and made a part hereof; and

WHEREAS, said principal is required under the terms of said agreement to furnish a bond for the installation of monuments pursuant to said agreement.

NOW, THEREFORE, we, the principal and _____, as surety, are held and firmly bound unto the City of Atascadero (hereinafter designated as “City”), in the penal sum of four thousand seven hundred eighty dollars (\$4,780) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bounded principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the installation of monuments pursuant to the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless City, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney’s fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

IN WITNESS WHEREOF, this monument bond has been duly executed by the principal and surety above named, on _____, 2019.

_____ Name of Surety	_____ Principal
	By: _____ Title: _____
_____ Mailing Address of Surety	and
_____ Telephone No. of Surety	By: _____ Title: _____
By: _____ Attorney in Fact	

NOTE: If principal is a partnership, all partners should execute the bond.

IMPORTANT: Surety companies executing bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in California.

NOTICE: The signature of the Surety on this bond must be acknowledged before a notary public, and this bond must be accompanied by evidence that the appointment as attorney in fact has been recorded in San Luis Obispo County.

MANDATORY: The Surety shall be authorized and licensed by the California Insurance Commissioner as an "admitted surety insurer."

APPROVAL: Bonds must be approved by City.

REQUEST TO INSURER TO SUBMIT DOCUMENTS: Execution of this document shall constitute the City's formal request to the insurer to provide the City with an original of a certificate from the clerk of San Luis Obispo County that the certificate of authority of the insurer has not been surrendered, revoked, canceled, annulled, or suspended or, in the event that it has, that renewed authority has been granted.

POWER OF ATTORNEY REQUIRED. The Attorney-in-Fact (resident agent) who executes this bond on behalf of the surety company must attach a copy of his Power of Attorney as evidence of his authority. A notary shall acknowledge the power as of the date of the execution of the surety bond that it covers.

**SUBDIVISION MAINTENANCE BOND
GUARANTEE AND WARRANTY SECURITY**

WHEREAS, the City Council of the City of Atascadero, State of California, and Z3 LLC (hereinafter designated as “principal”) have entered into an agreement by which principal agrees to install and complete certain designated public improvements and to guarantee and warrant the work for a period of one year following its completion and acceptance, which said agreement identified as Parcel Map AT 17-0088 (La Plaza) is hereby referred to and made a part hereof; and

WHEREAS, said principal is required under the terms of said agreement to furnish a bond to guarantee and warrant the work for a period of one year following its completion and acceptance against any defective work or labor done, or defective materials furnished, to comply with the terms of said agreement.

NOW, THEREFORE, we, the principal and _____
_____ a _____, admitted and
duly authorized to transact business under the laws of the State of California as surety, are held and firmly bound unto the City of Atascadero as obligee (“City”), in the penal sum of seventy thousand eight hundred dollars (\$70,800) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, provisions in the said agreement and any alteration thereof made as therein provided, on his or its part to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless City, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney’s fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations of this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications. The sure waives all rights of subrogation against the City or any person employed by the City.

IN WITNESS WHEREOF, this subdivision maintenance bond guarantee and warranty security has been duly executed by the principal and surety above named, on _____, 2019.

Name of Surety

Principal

By: _____
Title: _____

Mailing Address of Surety

and

Telephone No. of Surety

By: _____
Title: _____

By: _____
Attorney in Fact

NOTE: If principal is a partnership, all partners should execute the bond.

IMPORTANT: Surety companies executing bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in California.

NOTICE: The signature of the Surety on this bond must be acknowledged before a notary public, and this bond must be accompanied by evidence that the appointment as attorney in fact has been recorded in San Luis Obispo County.

MANDATORY: The Surety shall be authorized and licensed by the California Insurance Commissioner as an "admitted surety insurer."

APPROVAL: Bonds must be approved by City.

REQUEST TO INSURER TO SUBMIT DOCUMENTS: Execution of this document shall constitute the City's formal request to the insurer to provide the City with an original of a certificate from the clerk of San Luis Obispo County that the certificate of authority of the insurer has not been surrendered, revoked, canceled, annulled, or suspended or, in the event that it has, that renewed authority has been granted.

POWER OF ATTORNEY REQUIRED. The Attorney-in-Fact (resident agent) who executes this bond on behalf of the surety company must attach a copy of his Power of Attorney as evidence of his authority. A notary shall acknowledge the power as of the date of the execution of the surety bond that it covers.



Atascadero City Council

Staff Report - Public Works Department

Consider an Ordinance to Amend Title 7 – “Public Works”, Chapter 2 - “Definitions”, Chapter 4 – “Permits and Connections Fees”, and Chapter 9 – “Sewer Facilities Account” Pertaining to Wastewater and Adopting a Resolution Setting Sewer Capacity Charges

RECOMMENDATIONS:

Council:

1. Conduct a public hearing to receive all written and verbal testimony regarding the Draft Ordinance and Proposed Sewer Capacity Charges.
2. Introduce, for first reading by title only, Draft Ordinance amending Title 7 – “Public Works”, Chapter 2 - “Definitions”, Chapter 4 – “Permits and Connections Fees”, and Chapter 9 – “Sewer Facilities Account” pertaining to Wastewater.
3. Adopt Draft Resolution setting Sewer Capacity Charges for the Wastewater Division.

REPORT IN BRIEF:

The Draft Ordinance and Resolution attached to this report provide the mechanism to adjust sewer capacity charges for new connections to the wastewater system, or existing connections where changes from development or occupancy require increased capacity (e.g. commercial unit changing from office to restaurant occupancy). The Draft Ordinance updates three chapters of the Municipal Code, pertaining to wastewater, to reflect new terminology from California Government Code Section 66013, provide a more structured permitting procedure and fee schedule, and eliminate an obsolete account no longer needed. The Draft Resolution establishes increased sewer capacity charges for new connections to the wastewater system or existing connections where increased capacity is required from development or a change in occupancy.

DISCUSSION:

Background

Title 7, Chapters 1 through 10 of the Municipal Code pertain to the Wastewater Division of the Public Works Department. This portion of the Code was last revised in 2004 (Ordinance No. 438), and prior to that, in 1993 and 1988. Much of the terminology included in these chapters originate back to the 1970's. Of particular note, sewer connection charges and fees are broken into various items, and the names of these charges and fees have morphed with the Code amendments making it difficult to know exactly what the charges and fees are for, if referenced by name only.

Like many taxes and fees in California, sewer and water connection fees and charges were litigated a few years ago for reasons related to terminology and specific purpose of the various fees and charges imposed by local agencies. As a result, California Government Code (CGC) Section 66013 was modified to provide definitions for various terms including "sewer connection", "capacity charges", and "fee". These changes, coupled with the recent Atascadero Wastewater Rate Study (Rate Study) and wastewater rate updates, provides the City an opportunity to "clean up" the wastewater Municipal Code sections. In addition, this new terminology is directly related to the sewer connection charges that need to be implemented from the Rate Study.

Summary of Draft Ordinance

Capacity Charges: CGC 66013 codified the term "capacity charge" to be applied to new connections for capacity charges that are one-time charges paid by new customers as a capital contribution for capacity in the wastewater system. These charges are similar to development impact fees and can be assessed to existing wastewater customers requiring increased capacity to serve changes in their development or use occupancy. The proceeds from capacity charges are a financing source for future facilities. Capacity charges allow new connections to "pay their fair share" of past capital costs that provide capacity in the wastewater system and to finance future upgrades and construction in a proportionate benefit to the person or property being charged. Another similar analogy is the meter fee charged by Atascadero Mutual Water Company for new connections.

A single "Sewer Capacity Charge" is proposed to replace the following two existing fees in the Code for these impact-type development fees.

- Sewer connection charge – comprised of:
 - Sewer connection fee – assure upgrade of sewer system
 - Sewer extension fee (formerly sewer annexation fee) – assure expansion of sewer system and wastewater treatment plant

The above current and proposed charges are shown on Exhibit A to the Draft Resolution.

Sewer Connection Fees: CGC 66013 also codified the term "fee" and "sewer connection" to mean the costs borne by the local agency related to the physical facilities necessary to make a sewer connection. These costs are associated with furnishing and installing actual portions of the sewer connection (such as a sewer tap), but also includes time spent processing permit applications, reviewing plans, inspecting work, and other related

expenses. It is important to note that local agencies should only charge fees that are equal or less than actual costs borne by the agency.

The following existing fees have been renamed as follows and are now associated with a “Sewer Connection Permit”.

- Sewer processing fee → Sewer connection processing fee
- Sewer tap charge → Sewer connection inspection fee

The above processing fee has no change in its purpose or fee amount of \$45. The existing sewer tap charge is defined as the actual physical connection of a building sewer to the main sewer. During the not-so-recent past, wastewater operators would supply fittings and parts, use City tools to core into the live main sewer, install a saddle tap, and connect the building sewer to the live main sewer. Current practice today is to provide the saddle tap parts or a wye fitting, and perform the inspection for only the connection to the main sewer. The current sewer tap charge is \$526 – of which a good portion can be related to supplying connection fittings and parts.

Staff is recommending a new sewer connection inspection fee of \$250 to provide inspection of only a building’s sewer connection to the main sewer or to a lateral stub-out. The City would no longer supply fittings and parts to make the connection, but would specify which products are acceptable to use. This proposed change is found in Section 5 of the Draft Resolution.

Note that fees for plan review and inspection of trenching, pipe installation, backfilling, etc. for a new building sewer is covered by building and encroachment permits – which is a current practice.

Chapter 2 – “Definitions”: Contains many minor changes to definitions for clarity, consistency with other chapters and user classification schedule, or modernizing of definitions.

Chapter 4 – “Permits and Connection Fees”: Revised to clarify the purpose of fees and charges, and detail when a permit is required (sewer connection permit, building permit, and encroachment permit).

Chapter 9 – “Sewer Facilities Account”: This account was set up for revenue contributions toward wastewater facilities upgrades and expansion. However, these revenues can be tracked, reported, and accounted for as part of the Wastewater Fund, rendering this chapter obsolete.

Summary of Draft Resolution

The Council reviewed the Wastewater Rate Study (Attachment 3) at a regular meeting on May 14, 2019. Wastewater rates are comprised of sewer service charges and sewer capacity charges. The Rate Study provided a determination of proposed wastewater rates to support the \$50+ million worth of wastewater capital costs planned in the next ten years or so. The existing sewer capacity charges (sewer connection charges) have not been adjusted since at least 1988.

The Rate Study recommends a capacity charge of \$5,584 per Single Family Residence (SFR), which equates to one Equivalent Dwelling Unit (EDU). This amount was determined by using industry standard methods and is based on the current value of the City's existing wastewater facilities and includes the cost of future replacement facilities and future facilities that serve new development and connections. Table 11 from the Rate Study is included below and details the capacity charge for a SFR (EDU).

Table 11
Development of Single-family Residential Capacity Charge

Line No.	Description	RCLD Value	Contributions/ Debt Principal	Asset Value	Capacity gpd	Capacity Charge \$/gpd
Existing Plant Investment						
1	Collection	\$15,743,199	(\$12,226,755)	\$3,516,444		
2	Pumping and Lift Stations	2,429,453	-	2,429,453		
3	Treatment	7,123,338	-	7,123,338		
4	General Plant	3,068,790	-	3,068,790		
5	Total Existing Plant Investment	\$28,364,780	(\$12,226,755)	\$16,138,025	2,280,000	\$7.08
Capital Improvements (CIP)						
6	Replacement Related	\$39,300,150	(\$22,900,000)	\$16,400,150	2,280,000	\$7.19
8	Growth Related Improvements	\$7,611,850	(5,100,000)	2,511,850	510,000	\$4.93
9	Total CIP	\$46,912,000	(\$28,000,000)	\$18,912,000		
Adjustments						
10	Capital Cash Balance	\$9,286,000		\$9,286,000	2,280,000	\$4.07
11	Total Value	\$84,562,780		\$44,336,025		
12	Unit Valuation of Existing Wastewater System (\$/gpd)					\$23.269
13	Single-family Residential Demand (gpd)					240
14	Connection Fee (Replacement) ((line 5 + line 7 + line 10) * line 13)					\$4,403
15	Connection Fee (Growth-Related) (line 8 * line 13)					\$1,182
16	Single-family Residential Capacity Charge					\$5,584

RCLD=Replacement Cost Less Depreciation

Using the SFR Sewer Capacity Charge of \$5,584 as the base value per EDU, the schedule of sewer capacity charges for other customer classifications can be determined. A comparison of the current to proposed sewer capacity charges can be found in Exhibit A to Draft Resolution.

The proposed sewer capacity charges provide a reasonable and equitable cost allocation to the owners of new connections to the wastewater system and existing customers that require increased capacity due to changes from development use or occupancy. Furthermore, the proposed sewer capacity charges provide a proportionate benefit to the person or property being charged for capacity in the wastewater system.

The Rate Study also recommends an annual adjustment to the capacity charge based upon the Engineering News Record Construction Cost Index (ENR-CCI). ENR publishes both a Construction Cost Index (CCI) and a Building Cost Index (BCI) that are widely used in the construction industry. The CCI is best used where labor costs are a high proportion of total costs, while the BCI is more applicable for structures. Section 3 of the Draft

Resolution discusses the procedure and formula to calculate the annual adjusted capacity charge using the ENR-CCI publications.

FISCAL IMPACT:

Adopting the Draft Ordinance and Draft Resolution will have a significant positive fiscal impact to the Wastewater Fund. The General Plan assumes 110 new EDU connections annually, which equates to roughly \$418,000 in additional capacity charges each year if the proposed sewer capacity rates are implemented. However, a more realistic estimate of additional capacity charge revenue is probably \$225,000 to \$275,000 per year. This additional revenue is restricted and can only be used for upgrades and expansion of wastewater facilities.

ALTERNATIVES:

The Council may choose to revise the Draft Ordinance or Draft Resolution.

ATTACHMENTS:

1. Draft Ordinance to amend Title 7, Chapters 2, 4, and 9
2. Draft Resolution to establish sewer capacity charges
3. Wastewater Rate Study

DRAFT ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, AMENDING MUNICIPAL CODE TITLE 7 – “PUBLIC WORKS”, CHAPTER 2 – “DEFINITIONS”, CHAPTER 4 – “PERMITS AND CONNECTION FEES”, AND CHAPTER 9 – “SEWER FACILITIES ACCOUNT” PERTAINING TO WASTEWATER

WHEREAS, the City of Atascadero owns and operates a municipal wastewater collection and treatment system for the safe and reliable collection and disposal of wastewater in accordance with applicable regulations; and

WHEREAS, Title 7, Chapters 1 through 10 of the Municipal Code pertain to rules and regulations concerning the wastewater system and was adopted by the Atascadero City Council on February 10, 2004 by Ordinance 438; and

WHEREAS, the City of Atascadero levies and imposes various fees and charges for sewer connections to the wastewater system that are described in Title 7, Chapter 1 – “Definitions” and Chapter 4 – “Permits and Connection Fees” of the Municipal Code; and

WHEREAS, Section 66013 of the California Government Code pertains to fees and charges for sewer connections imposed by local agencies and provides definitions for “sewer connection”, “capacity charges”, and “fee”; and

WHEREAS, the Atascadero City Council desires to have terminology for sewer connection fees and charges in Title 7, Chapters 1 and 4, of the Municipal Code that are consistent with Section 66013 of the California Government Code; and

WHEREAS, the Atascadero City Council desires to clarify other definitions and procedures pertaining to wastewater in Title 7, Chapters 1 and 4 of the Municipal Code; and

WHEREAS, Title 7, Chapter 9 of the Municipal Code pertains to the Sewer Facilities Account that receives revenue obtained from sewer connection charges and designated revenues from sewer service charges used to pay the cost of upgrading and expansion of the wastewater collection and treatment facilities; and

WHEREAS, current accounting practices allows revenues for the Sewer Facilities Account to be tracked and accounted for separately from other revenues deposited in the Wastewater Fund, whereby rendering the Sewer Facilities Account obsolete; and

WHEREAS, on September 24, 2019, the City Council held a duly noticed public hearing, at which interested persons had an opportunity to testify in support of, or in opposition to, the proposed amendments to Title 9 of the City’s Municipal Code and at which time the City Council considered the proposed amendments .

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ATASCADERO
HEREBY ORDAINS AS FOLLOWS:**

SECTION 1: Recitals. The above recitals are true and correct and are hereby incorporated by reference.

SECTION 2. Atascadero Municipal Code Title 7 - "Public Works", Chapter 2 - "Definitions" and Chapter 4 - "Permits and Connections Fees" pertaining to wastewater is amended as detailed in Exhibit A attached hereto and incorporated herein by reference.

SECTION 3. The contents of Atascadero Municipal Code Title 7 - "Public Works", Chapter 9 - "Sewer Facilities Account" pertaining to wastewater is deleted in its entirety and the chapter title is renamed "RESERVED".

SECTION 4. The City Council of the City of Atascadero, in a regular session assembled on September 24, 2019, resolved to introduce for first reading, by title only, an Ordinance to amend Title 7 - "Public Works", Chapter 2 - "Definitions", Chapter 4 - "Permits and Connections Fees", and Chapter 9 - "Sewer Facilities Account" pertaining to wastewater as shown in Exhibit A on file in the City Clerk's Office and incorporated herein by reference.

SECTION 5. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 6. A summary of this Ordinance, approved by the City Attorney, together with the ayes and noes, shall be published twice: at least five days prior to its final passage in the Atascadero News, a newspaper published and circulated in the City of Atascadero, and; before the expiration of fifteen (15) days after its final passage in the Atascadero News, a newspaper published and circulated in the City of Atascadero. A copy of the full text of this Ordinance shall be on file in the City Clerk's office on and after the date following introduction and passage and shall be available to any interested member of the public.

SECTION 7. This Ordinance shall take effect 30 days from the date of final passage.

INTRODUCED at a regular meeting of the City Council held on _____, and **PASSED** and **ADOPTED** by the City Council of the City of Atascadero, State of California, on _____, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ITEM NUMBER:
DATE:
ATTACHMENT

B-1
09/24/19
1

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

Chapter 2

DEFINITIONS

Sections:

7-2.001 Definitions.

7-2.001 Definitions.

“Accessory Dwelling Unit” (“ADU”) means a secondary living unit, either attached or detached, associated with a single-family residence, as defined and used in Section 65852.2 or the Government Code and approved and permitted by the City.

“Apartment” means a residence, as herein defined, which is part of or located in a multiple-family dwelling as herein defined.

“Applicant” means the person submitting an application for a permit for a sewer or plumbing installation and shall be the owner of the premises to be served by the sewer for which a permit is requested, or the authorized agent or the owner of the premises.

“Bar” or “pub” means a building or portion thereof used for, or intended for use for, selling and consuming alcoholic drinks such as beer, wine, cider, and spirits, but not including eating establishments or production facilities such as breweries, wineries, and distilleries.

“Bath” means a room containing one (1) or more water closets, bathtubs, shower stalls, and wash basins which are intended and suitable for human use and are connected to the sewer system.

“Biochemical oxygen demand (BOD)” means the quantity of oxygen utilized in the biochemical oxidation of organic matter, after five (5) days, using standard laboratory procedures and expressed in milligrams per liter (~~MG~~mg/l).

“Building” means any structure used for human habitation or a place of business, recreation, or other activity and containing sanitary facilities.

“Building sewer” means that portion of any sewer beginning two (2) feet from any building and extending to and including its connection to a public sewer. Building sewers are considered privately-owned and maintained by the owner of the property or project it serves.

“Carwash unit” means a building or portion thereof used for, or intended for use for, the routine cleaning of motor vehicles comprised of a single bay or stall intended to accommodate a single vehicle at a time, whether or not part of a gas station.

“City” means the City of Atascadero.

“Cleanout” means a branch fitting installed in a sewer or pipe for the purpose of providing access for cleaning.

“Commercial-~~establishment~~ unit” means a building or portion thereof used for, or intended for use for, commercial, business or governmental purposes, including but not limited to stores, markets, ~~theaters~~, business offices, government offices and other places of business, but not including eating establishments, laundromats, theaters, grocery stores, or other business establishments previously defined herein.

“Condominium unit” means a residence occupied or suitable for occupancy in whole or in part as a home or living quarters either permanently or temporarily by a single family, their guests and servants, but not including an apartment or other unit of multiple-family dwelling as defined herein.

“Customer” means a person, property, or entity that owns a property that is connected to the City’s waterwater system or who benefits from discharging sewage to the wastewater system.

“Department” means the City of Atascadero Department of Public Works.

“Director” means the Director of Public Works for the City of Atascadero.

“Domestic wastewater” means water bearing only those wastes derived from the ordinary living processes and of such character as to permit satisfactory disposal to, and treatment at the City wastewater treatment plant.

“Dwelling Unit” (“DU”) means a single family, duplex, or multi-family living unit, as approved and permitted by the City.

“Eating establishment” means a building or portion thereof, upon the premises of which are provided facilities for dining, eating and/or beverage consumption by the public, and which is held out by the owner or operator thereof as a place where food and/or beverages may be purchased for consumption upon the premises, including establishments designated as restaurants, cafes, drive-ins, coffee shops, ice cream parlors, ~~bars~~, and bowling alleys, and other such establishments where food or drink is served.

“Encroachment permit” means a permit to excavate, occupy, block, construct, or perform other work in the public right-of-way or public easement. Encroachment permit applications are processed by the Public Works Department and approved by the Director.

“Equivalent Dwelling Unit” (“EDU”) means the equivalent sewer flow and strength from a single-family dwelling unit (one EDU) used for calculating proportionate sewer charges and fees for all other residential, commercial, and industrial uses. EDU assignment for industrial users and other unclassified uses, or connections with unusual sewer flow and strength, shall be determined by means deemed appropriate by the City Engineer.

“Extension” means expansion of a service area or extension of a main sewer.

“Financial Institutions” means a building or portion thereof used for, or intended for use for, financial market purposes, including but not limited to banks, credit unions, trust companies, mortgage lenders, and similar business.

“Fixture ~~unit~~” means any sink, tub, shower, toilet, or other facility components connected by drain to the sewer.

“Fixture unit” means a quantity in terms of which the load-producing effects on the plumbing system connected to the sewer from different kinds of fixtures.

“Garbage” means solid wastes from the preparation, cooking, and dispensing of food and from the handling, storage, and sale of agricultural products.

“Garbage grinder” means a unit designed and used to grind or otherwise treat garbage so that it can be disposed of through the sewer system.

“Gas station” means a building or portion thereof used for, or intended for use for, the on-site selling of gasoline and diesel fuel for motor vehicles and might include as ancillary uses the on-site selling of convenience goods including prepacked food, snacks, and drinks, and basic restroom facilities.

“Grease” means all fat, grease, oil, wax or other trichloro-trifluoroethane soluble matter of animal, vegetable, petroleum or mineral origin.

“Hotel” means a building or group of buildings containing six (6) or more sleeping rooms or suites of rooms designed as, and occupied or suitable for occupation as, a temporary abiding or sleeping place for persons who, for compensation, are lodged with or without meals, including buildings designed as hotels and boarding, lodging houses, rooming houses, but not including those defined herein as multiple-family dwellings, motels, trailer courts, or dormitories, sanitariums, hospitals, asylums, orphanages, or buildings where persons are housed under restraint.

“Hotel room” means a room or suite of rooms in a hotel as herein defined, designed as, and occupied or suitable for occupation as, one (1) sleeping or living unit.

“House trailer” or “mobile home” means a transportable structure designed, built and equipped as, and occupied or suitable for occupation as, a home or living quarters, either permanently or temporarily, by a single family and their guests and servants.

“Industrial user” means a person, business, or entity who discharges nondomestic wastewater into the City sewer system.

“Kitchen” means a room, all or any part of which is designed, built and equipped as, and is used or is intended to be used for the cooking and/or other preparation of food for human consumption.

“Lateral sewer”, “sewer lateral”, or “lateral” means that portion of a building sewer lying within a public right-of-way or easement, which connects, or is intended to connect, a building sewer to a main sewer.

“Laundromat” means a building or portion thereof designed, equipped, and used or intended for use as a self-service laundry, where there is no pickup or delivery service and no steam or hand laundry of any type.

“Lot” means any piece or parcel of land, bounded, defined, or shown upon a plot or deed recorded in the office of the County Recorder of San Luis Obispo County; provided, however, that in the event any structure is located upon more than one (1) parcel of land all under one (1) ownership and as herein defined, the term “lot” shall include all such parcels of land.

“Main sewer” or “sewer main” means that sewer, excluding lateral sewers, whose main purpose is to accept wastewater from lateral sewers and convey it to the wastewater treatment plant.

~~“Manager” means the manager of the Wastewater Division Public Works Department.~~

“Manhole” means a structure for the purpose of providing access of a man to a buried sewer.

“Motel” means a building or group of buildings containing two (2) or more rooms or suites of rooms, and designed, intended, or used primarily for the accommodation of transient automobile travelers, including establishments designated as motels, auto courts, tourist cabins, motor lodges, motor courts, and by similar designations.

“Motel unit” means a room or suite of rooms in a motel as herein defined, designed as, and occupied or suitable for occupation as, one (1) sleeping or living unit.

“Multiple-family dwelling” means a building or group of buildings designed as, and occupied or suitable for occupation as, a home or living quarters, either permanently or temporarily, by more than a single family, including buildings, designated as apartment houses, apartment buildings, duplexes, triplexes and condominiums, but not including motels, hotels, dormitories, or trailer courts as herein defined.

“Office unit” means a commercial unit that is occupied for, or intended for, office use.

“pH.” The logarithm of the reciprocal of the weight of hydrogen ions in grams per liter of solution.

“Permit” means any written authorization required pursuant to this Municipal Code.

“Person” means any individual, firm, company, association, society, private or public corporation, group, governmental agency or educational institution.

“Private main sewer” means that portion of a main sewer lying within a public right-of-way or easement, or on private property, that discharges wastewater to the City’s wastewater system but is not owned or maintained by the City’s Public Works Department.

“Public main sewer” means that portion of a main sewer lying within a public right-of-way or easement, and maintained by, and subject to the jurisdiction of the ~~Wastewater Division of the City’s~~ Public Works Department.

“Residence” means a building or portion thereof, or a group of buildings, designed as and occupied or suitable for occupation in whole or in part as a home or living quarters, either permanently or temporarily, by a single family and their guests and servants, including a house and an apartment or other unit of multiple-family dwelling as herein defined.

“Rest home” means a building or portion thereof, or a group of buildings, designed as and occupied or suitable for occupancy in whole or in part as an establishment that provides housing and general care for the aged or the convalescent.

“School” means an institution of learning which offers instruction in the several branches of learning and study required to be taught in the public schools by the Education Code of the State of California, including preschool or nursery, elementary, junior and senior high and parochial and private schools and junior colleges, colleges, and universities.

“Senior apartment unit” means a dwelling unit residence designed as and occupied or suitable for occupation in whole or in part as a home or living quarters, either permanently or temporarily, by persons in the senior community.

“Sewer” or “sanitary sewer” means a pipe or conduit for carrying wastewater.

“Sewer capacity charge” or “wastewater capacity charge” means a charge for wastewater facilities in existence at the time a charge is imposed or charges for new wastewater facilities to be acquired or constructed in the future that are of proportionate benefit to the person or property being charged. Capacity charges are one-time charges paid as a capital contribution for capacity in the wastewater system by new customers connecting to the wastewater system and existing customers that require increased capacity due to changes from development, use, or occupancy.

“Sewer collection system” or “wastewater collection system” or “public sewer system” means the network of public main sewers, manholes, lift stations, forcemains, and other components that collects wastewater from the various laterals and conveys it to the wastewater treatment plant.

“Sewer connection” means the connection of a structure or project to a public sewer system.

“Sewer connection fee” or “wastewater connection fee” means a fee related to the physical facilities necessary to make a sewer connection comprised of costs incurred by the City to process permit application, review plans, inspect construction of others, and other related expenses. Sewer connection fees are paid through the City’s permit application process and associated fee schedules, including but not limited to sewer connection, encroachment, and building permits.

~~“Sewer connection charge” means the charge levied by the City for connection to the mainline sewer.~~

~~(a) “Sewer connection fee” means the fee assessed to assure upgrade of sewer system.~~

~~(b) “Sewer extension fee” or “extension fee” means the fee assessed to assure expansion of sewer system and wastewater treatment plant.~~

“Sewer connection inspection fee” means a fee by the City for inspecting the actual physical connection from of a building sewer to either the City’s mainline sewer or the lateral sewer stub-out at the property line. This charge does not include City inspection costs associated with any construction of building sewers involving trenching, backfilling, pipe installation, removals, restoration, or other work.

“Sewer connection processing fee” means a fee by the City for administrative processing of sewer connection permit applications for new connections to the wastewater system, and existing connections that require a change in capacity due to changes from development or building occupancy.

“Sewer extension reimbursement cost” means the proportional share of the cost of a sewer extension per Section 7-5.003. This charge applies to new sewer connections to sewer extensions covered by a current reimbursement agreement approved by the City in accordance with Section 7-5.004.

“Sewer service charge” or “wastewater service charge” means the monthly service charge levied and imposed upon any occupied premises within the City having any sewer connection with the sewerage system of the City, or otherwise discharging wastewater which ultimately passes through the City’s sewerage system or to which a public sewer is available according to Section 7-3.001 of this title, and upon the owner or occupant thereof.

“Shall” is mandatory; “may” is permissive.

“Trailer court” means an area containing two (2) or more trailer spaces as herein defined, including areas designed as trailer courts, trailer camps, and by similar designations.

“Trailer space” means an area which is laid out and provided with facilities including a sewer connection for, and is occupied or is suitable for occupation by, a house trailer as herein defined.

“User classification” or “user category” or “customer classification” means the type of occupancy for a sewer connection to a building or project that discharges to the wastewater system.

“Wastewater” or “sewage” means any water-carried wastes from residences, business buildings, public buildings, institutions, and industrial facilities.

“Wastewater system” means the combined wastewater collection system and wastewater treatment plant with the purpose of collecting and treating wastewater discharges.

“Wastewater treatment plant” (“WWTP”) and “Water Reclamation Facility” (“WRF”) means the arrangement of devices and structures used for treating wastewater generated within the City. (Ord. 438 § 2, 2004; Ord. 246 § 1 (Exh. A), 1993; Ord. 181 § 2, 1988)

Chapter 4

PERMITS AND CONNECTION FEES

Sections:

- 7-4.001 Permit required.
- 7-4.002 Application.
- 7-4.003 Application exemptions.
- 7-4.004 ~~Sewer connection fees.~~ Fees.
- 7-4.005 Sewer connection permit application required.
- 7-4.0056 Building permit required. Fees credited where.
- 7-4.0067 Encroachment permit required. Sewer tap charge.
- 7-4.0078 Sewer capacity charges. extension fee.
- 7-4.0089 Fees. Capacity charges deposited where.
- 7-4.00910 Fees and charges payable when.

7-4.001 Permit required.

It is unlawful for any person other than the City to make any connection with any public or building sewer, or to construct or alter any public or building sewer, within the City without first obtaining appropriate permits from the City for such work. (Ord. 438 § 2, 2004)

7-4.002 Application.

Any person desiring a permit for work involving sewers shall make application in writing to the City giving such information as it may require, on blank forms to be furnished for that purpose. If it appears that the work to be performed is to be done according to the regulations contained in this title and otherwise provided by law governing the construction of such work, a permit shall be issued upon payment of the required fees. (Ord. 438 § 2, 2004)

7-4.003 Application exemptions.

Nothing contained in this chapter shall be deemed to require the application for, or the issuance of, a permit for the purpose of removing stoppages or repairing leaks in a building sewer, except when it is necessary to replace any part of such sewer or if such work occurs in the public right-of-way or a sewer easement. (Ord. 438 § 2, 2004)

7-4.004 Sewer connection fees. Fees.

Sewer Connection fees shall be collected and paid according to the category of building sewer through the City permit application process and associated fee schedules, including but not limited to sewer connection, building, and encroachment permits.
~~Fees for connection shall be set by Resolution of the Council. (Ord. 438 § 2, 2004)~~

7-4.005 Sewer connection permit application required.

Property owners requesting new sewer connections to the City's wastewater system, or property owners of existing sewer connections that require a change in capacity due to changes from development, use, or building occupancy, shall submit a complete sewer connection permit application and pay a processing fee. All applicants shall pay any sewer capacity charges due prior to issuance of sewer connection permit. In addition to the processing fee, capacity charges, and other required permit fees, property owners requesting new sewer connections or replacing existing sewer connections shall pay a sewer connection inspection fee prior to issuance of building or encroachment permits for sewer connection work.

7-4.0056 Building permit required. ~~Fees credited where.~~

For each connection of a building sewer to a lateral sewer, a building permit shall be applied for and secured by property owner or property owners' representative prior to any construction of the building sewer. Permit fees shall be credited to the general operating account for the Wastewater Division of the Public Works Department. (Ord. 438 § 2, 2004)

7-4.0067 Encroachment permit required. ~~Sewer tap charge.~~

For each connection of a building sewer to a public main sewer that occurs in the public right-of-way or public sewer easement, an encroachment permit shall be applied for and secured by property owner or property owner's representative prior to any construction of the lateral sewer. ~~sewer tap charge shall be collected by the City before the permit for the construction is issued. (Ord. 438 § 2, 2004)~~

7-4.0078 Sewer capacity charges ~~extension fee.~~

New customers connecting to the wastewater system, and existing customers requiring increased capacity due to changes from development, use or capacity, shall pay sewer capacity charges as a capital contribution for capacity in the wastewater system in an amount proportionate to the cost of the capacity needed. Capacity charges shall be paid according to the user classification for new connections, and the change in user classification (occupancy) for existing connections. A change in user classification for an existing connection that results in a lower capacity will maintain a credit for the previous higher capacity use. Sewer capacity charges shall be set by Resolution of the Council. ~~In addition to such fees as shall be assessed for sewer connection and sewer taps, applications for sewer service shall be assessed a sewer extension fee as applicable. (Ord. 438 § 2, 2004)~~

7-4.0089 Fees ~~Use of Capacity Charges deposited where.~~

Connection fees and extension fees ~~Sewer capacity charges shall be deposited in the City's Sewer Facilities Fund (Chapter 9 of this title), and shall be used to pay the cost of wastewater system upgrade and expansion. (Ord. 438 § 2, 2004)~~

7-4.00910 Fees ~~and charges~~ payable when.

All fees and charges ~~Fees~~ assessed pursuant to this chapter, including any applicable sewer extension reimbursement costs, ~~for extensions, permits, connection and tap charge~~ shall be payable at the time of permit issuance. (Ord. 438 § 2, 2004)

Chapter 9

**SEWER FACILITIES ACCOUNT
RESERVED**

Sections:

~~7-9.001 Established.~~

~~7-9.002 Purpose.~~

~~7-9.003 Use.~~

~~7-9.001 Established.~~

~~———— A sewer facilities account is established to consist of revenue obtained from connection fees, sewer extension fees, and designated revenues from the sewer service charges. (Ord. 438 § 2, 2004)~~

~~7-9.002 Purpose.~~

~~———— The sewer facilities account shall be primarily to finance expansion, replacement and upgrade of the wastewater treatment facilities, and the replacement or enlargement of trunk sewer lines or other sewer lines or capital improvement items, including equipment. (Ord. 438 § 2, 2004)~~

~~7-9.003 Use.~~

~~———— When moneys are available from the account, the City Council may utilize these moneys to construct public sewers in streets or easements to extend service to previously unsewered areas when the costs of such sewer construction are to be reimbursed by the owners of the properties requesting such extensions. Before moneys from said account are so used, the City Council shall enter into an agreement with the owner or owners of the properties to be served. (Ord. 438 § 2, 2004)~~

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, SETTING SEWER CAPACITY CHARGES FOR THE WASTEWATER DIVISION

WHEREAS, the City of Atascadero owns and operates a municipal wastewater collection and treatment system for the safe and reliable disposal of wastewater in accordance with applicable regulations; and

WHEREAS, the City of Atascadero levies and imposes one-time Sewer Capacity Charges (Sewer Connection Charges) to new customers connecting to the wastewater system and existing customers that require increased capacity due to changes from development, use or occupancy, as a capital contribution for new wastewater facilities to be acquired or constructed in the future that are of proportionate benefit to the person or property being charged for capacity in the wastewater system; and

WHEREAS, the current sewer connection charges associated with capacity charges were last adjusted in 1988 at which time the City of Atascadero adopted Ordinance 181 establishing the Wastewater Division of the Public Works Department; and

WHEREAS, a Wastewater Rate Study (“Rate Study”), dated May 2019, was prepared by Tuckfield & Associates for the City of Atascadero’s Wastewater Division that recommends increases to wastewater rates (sewer service fees and sewer capacity charges) to meet the on-going operational needs of the enterprise and needed funding for existing and future capital infrastructure requirements; and

WHEREAS, the Atascadero City Council reviewed the Wastewater Rate Study at their regular meeting on May 14, 2019 and set a Public Hearing for their regular meeting on July 9, 2019, at which time the Council adopted Resolution No. 2019-064 establishing revised Sewer Service Charges for the Wastewater Division; and

WHEREAS, the Rate Study evaluated Sewer Capacity Charges using industry standard methods and are based on the current value of the City’s existing wastewater facilities and include the cost of future replacement facilities and future facilities that serve new development and connections; and

WHEREAS, the Rate Study developed the Proposed Sewer Capacity Charges using the combination methodology; a combination of the buy-in and incremental costs methodology whereby the charges are based on the value of existing capacity and value of Capital Improvement Program replacement and growth-related projects; and

WHEREAS, the Proposed Sewer Capacity Charges set forth in this Resolution provide a reasonable and equitable cost allocation to the owners of new connections to the wastewater system and existing customers that require increased capacity due to changes from development, use, or occupancy, and provide a proportionate benefit to the person or property being charged for capacity in the wastewater system; and

WHEREAS, the Atascadero City Council conducted a duly noticed public hearing for setting Proposed Sewer Capacity Charges on September 24, 2019 to receive public comment and to consider proposed increases in capacity charges; and

WHEREAS, the Atascadero City Council conducted a Public Hearing on September 24, 2019 to consider an Ordinance amending Municipal Code Title 7, Chapter 2 - “Definitions”, Chapter 4 - “Permits and Connection Fees”, and Chapter 9 - “Sewer Facilities Account” which clarified terminology and definitions for sewer connection fees and capacity charges to be consistent with California Government Code Section 66013.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Recitals. The above recitals are true and correct and are hereby incorporated by reference.

SECTION 2. Sewer Capacity Charges Established. The Proposed Sewer Capacity Charges as set forth in Exhibit A, attached hereto and incorporated herein by this reference, are hereby approved and shall become effective as specified in Section 7 below in accordance with California Government Code Section 66017.

SECTION 3. Sewer Capacity Charges Adjusted Annually. The Proposed Sewer Capacity Charges as set forth in Exhibit A shall be adjusted annually and become effective on July 1 each year by the percentage change in the Engineering News Record Construction Cost Index (ENR-CCI) from the first ENR publication in April of the previous year to the first ENR publication in April of the current calendar year.

$$\text{Adjusted Capacity Charge} = (\text{Current Charge}) \times \frac{(\text{ENR-CCI from April current year})}{(\text{ENR-CCI from April prior year})}$$

The initial Adjusted Capacity Charge shall use the first published ENR-CCI after the effective date of this Resolution as the base index for determining the percentage change to apply to the Proposed Sewer Capacity Charges shown on Exhibit A.

SECTION 4. Previous resolutions and ordinances establishing Sewer Capacity Charges (Sewer Connection Charges) are superseded upon the effective date of the Sewer Capacity Charges as established in Section 2 above, and are hereby rescinded and rendered moot.

SECTION 5. Sewer Connection Fee Revisions. The following sewer connection fees adopted by Resolution No. 2019-037 are hereby amended as shown contingent upon City Council adoption of Draft Ordinance amending Municipal Code Title 7, Chapter 2 - “Definitions”, Chapter 4 - “Permits and Connection Fees”, and Chapter 9 - “Sewer Facilities Account” pertaining to wastewater. The amount of the Fees do not exceed the true cost of providing the City Services.

Ref #	Fee Name	Adopted Fee
19-109A	Sewer Tap Sewer Connection Inspection	\$526 per lateral \$250 per connection
19-109	Sewer Processing Sewer Connection Processing	\$45 per sewer connection permit

SECTION 6. Constitutionality. If any portion of this Resolution is declared invalid or unconstitutional then it is the intention of the City Council to have passed the entire Resolution and all its component parts, and all other sections of this Resolution shall remain in full force and effect.

SECTION 7. Effective Date. This Resolution shall become effective 60 calendar days from its adoption, on November 23, 2019, and shall remain in effect, until revised by the City Council.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___ day of ___, 2019.

On motion by Council Member ___ and seconded by Council Member ___, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

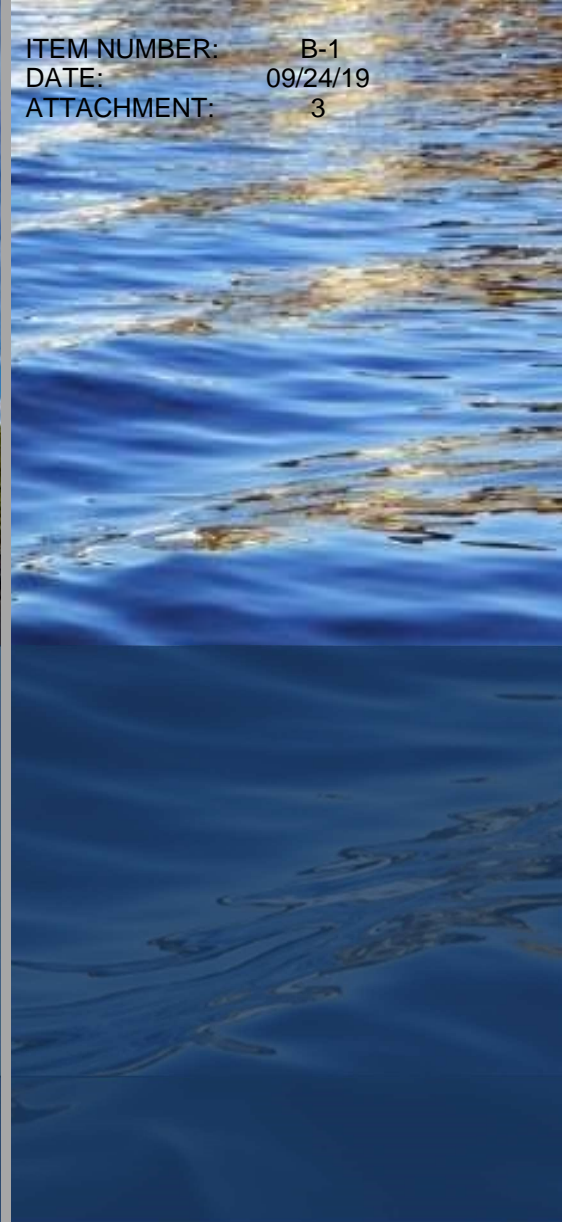
EXHIBIT A
CITY OF ATASCADERO
CURRENT AND PROPOSED SEWER CAPACITY CHARGES

Classification Description	EDU ³ Multiple	Unit of Measure	Capacity Charges	
			Current	Proposed ¹
Residential				
Single Family	1.00	Dwelling Unit	\$ 1,783	\$ 5,584
Apartment, Condo	0.75	Dwelling Unit	\$ 1,656	\$ 4,188
Mobile Home	0.60	Spaces	\$ 1,401	\$ 3,350
Senior Apartment Unit	0.35	Dwelling Unit	\$ 1,656	\$ 1,954
			\$ 64.00 per fixture unit	
Non-Residential				
Financial Institutions	2.00	Unit		\$ 11,168
Bars	1.50	Unit		\$ 8,376
Carwash	7.50	Unit		\$ 41,880
Churches/Meeting Halls				
< 150 seats	1.33	Seats		\$ 7,427
150 to 250 seats	2.66	Seats		\$ 14,853
> 250 seats	3.00	Seats		\$ 16,752
Commercial Unit	1.00	Unit		\$ 5,584
Funeral Home	9.00	Unit		\$ 50,256
Gas Station	2.00	Unit		\$ 11,168
Grocery Store > 10,000 sq. ft.	8.00	1,000 sq. ft.		\$ 44,672
Gymnasium	10.00	Unit		\$ 55,840
Laundry	9.00	Unit		\$ 50,256
Motel (per room)	0.33	Room		\$ 1,843
Office Unit	1.00	Unit		\$ 5,584
Rest Home (per bed)	0.35	Bed		\$ 1,954
Restaurants				
< 40 seats	4.00	Seats		\$ 22,336
40 to 60 seats	6.00	Seats		\$ 33,504
61 to 100 seats	8.00	Seats		\$ 44,672
> 100 seats	10.00	Seats		\$ 55,840
Schools (per student on Mar. 1)	0.05	Student		\$ 279
Theater	4.00	Unit		\$ 22,336
Veterinarians	3.00	Unit		\$ 16,752
Unlisted Uses ²	1.00	Unit	▼	\$ 5,584

¹ Proposed Rates effective November 23, 2019

² Unlisted uses or are determined by use of fixture units from the California Plumbing Code or as by means deemed appropriate by the City Engineer.

³ EDU = Equivalent Dwelling Unit is the average daily flow of wastewater discharge from a single family residence (240 gallons per day, max. monthly flow).



Report on Wastewater Rate Study

Draft Report – May 2019



Prepared For:
City of Atascadero

6500 Palma Avenue
Atascadero, CA 93422
(805) 470-3456

Submitted By:
Tuckfield & Associates

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DRAFT

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Email ctuckfield@tuckfieldassociates.com

May 10, 2019

Mr. Nick DeBar
Public Works Director/City Engineer
City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422

Dear Mr. DeBar:

I am pleased to submit this report on the Wastewater Rate Study (Study) for the City of Atascadero (City). The wastewater service charges presented in this report have been developed based on industry methods that result in fair and equitable rates for the users of the wastewater utility in accordance with Proposition 218.

The Study included a review and analysis of the wastewater enterprise revenue and revenue requirements, number of equivalent dwelling units, and current rate structure. This report presents the findings and recommendations for the City's wastewater service charges to meet the on-going operational needs of the wastewater enterprise and the funding of the capital infrastructure requirements. Tables and figures throughout the report are provided to demonstrate the calculations.

It has been a pleasure working with the City on this project. If there are any questions regarding this report, please contact me at (949) 760-9454.

Very Truly Yours,

TUCKFIELD & ASSOCIATES



G. Clayton Tuckfield
President/Project Consultant

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Executive Summary

The City of Atascadero (City) engaged Tuckfield & Associates to conduct a comprehensive Wastewater Rate Study (Study) for its wastewater system (System). This Study includes development of a pro forma statement of revenues and revenue requirements for the wastewater enterprise and design of wastewater service charges for implementation.

The last time that wastewater service charges were increased was in 1994, or about 25 years ago. It is recommended that the City conduct an update to this Study at least every three to five years for prudent rate planning

Wastewater Financial Plan

Current wastewater charges consist of monthly fixed charges which are collected through the county of San Luis Obispo tax rolls. Fixed charges for all customers are established as a multiple of the single-family residential (SFR) dwelling unit fixed charge. The City currently serves about 8,400 Equivalent Dwelling Units (EDUs) and the number of EDUs is expected to increase by 115 annually.

The City has prepared a five-year capital improvement program (CIP) spending plan for the wastewater utility. The capital expenditures consist of various repair, replacement, and rehabilitation projects in addition to two large projects consisting of Water Reclamation Facility (WRF) Process Improvements and the Lift Station #13 and Force Main Project estimated to cost about \$23.15 million and \$5.8 million respectively. The WRF Process Improvements are planned to be financed with proposed debt issues in FY 2021-22 and in FY 2023-24. The Lift Station #13 and Force Main Project is partially financed with the FY 2021-22 debt issue. Debt service related to the projects is estimated to be \$919,000 beginning in FY 2021-22 and an additional \$707,100 in FY 2023-24.

A forward looking financial plan was created that identifies the revenue and revenue requirements of the wastewater enterprise. Annual revenue includes wastewater service charge revenue and miscellaneous revenue. Annual revenue requirements include operation and maintenance (O&M) expense, annual capital replacement, and new debt service. Future O&M expenses were projected recognizing escalation in expenses as well as changes in operations staffing.

From the analysis of the financial plan, revenue increases are recommended to adequately meet future obligations and cash reserve targets. These proposed revenue adjustments include 19 percent annual increases beginning August 8, 2019 and then on each July 1 for the next four years July 2020 and continuing through July 2023. The wastewater financial plan is presented in Table 7.

Current Wastewater Service Charges

The City's current wastewater service charges consist of monthly fixed charges to residential and non-residential customers. All customers are charged a fixed charge as a multiple of the single-family residential (SFR) charge. The fixed charge EDU methodology is used since the City is not the public water supplier for Atascadero and does not have access to individual customer's water consumption data.

The wastewater service charge for an SFR dwelling unit is defined as one EDU. One EDU is the sewer flow and strength of a single-family residence stated in terms of maximum discharge flow in gallons per day (gpd) and

strength consisting of bio-chemical oxygen demand (BOD) and suspended solids (SS). Service charges for other customers are based on their proportion of flow and strength relative to the single-family residence. The current wastewater charges are presented in Table 3.

Proposed Wastewater Service Charges

Table ES-1 presents the wastewater service charges to be implemented by the City to meet future operations and capital spending needs of the System. The current charges are also shown for comparison purposes. The wastewater service charges reflect the forecast of the cost of providing wastewater service presented in this Study.

Where a new wastewater customer does not fit the wastewater classifications identified in Table ES-1, it is recommended that the City reserve the right to calculate the monthly service charge through the use of fixture units using the California Uniform Plumbing Code, or by means deemed appropriate by the City Engineer.

Table ES-1
Current and Proposed Wastewater Service Charges

Description	Unit of Measure	Current	Date of Increase				
			Aug 8, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023
Residential Fixed Charges							
Single Family	Dwelling Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16
Apartment, Condo	Dwelling Unit	\$15.13	\$18.00	\$21.43	\$25.50	\$30.34	\$36.11
Mobile Home	Spaces	\$15.13	\$18.00	\$21.43	\$25.50	\$30.34	\$36.11
Senior Apt Unit	Dwelling Unit	\$7.06	\$8.40	\$10.00	\$11.90	\$14.16	\$16.85
Non-Residential Fixed Charges							
Financial Institutions	Unit	\$40.36	\$48.03	\$57.15	\$68.01	\$80.94	\$96.31
Bars	Unit	\$30.27	\$36.02	\$42.87	\$51.01	\$60.70	\$72.23
Carwash	Unit	\$151.35	\$180.11	\$214.33	\$255.05	\$303.51	\$361.17
Churches/Meeting Halls							
< 150 seats	Seats	\$26.83	\$31.93	\$37.99	\$45.21	\$53.80	\$64.03
150 to 250 seats	Seats	\$53.67	\$63.87	\$76.00	\$90.44	\$107.63	\$128.08
> 250 seats	Seats	\$60.63	\$72.15	\$85.86	\$102.17	\$121.58	\$144.68
Commercial Unit	Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16
Funeral Home	Unit	\$181.62	\$216.13	\$257.19	\$306.06	\$364.21	\$433.41
Gas Station	Unit	\$40.35	\$48.02	\$57.14	\$68.00	\$80.92	\$96.29
Grocery Store > 10,000 sf	1,000 sf	\$161.41	\$192.08	\$228.57	\$272.00	\$323.68	\$385.18
Gymnasium	Unit	\$201.77	\$240.11	\$285.73	\$340.01	\$404.62	\$481.49
Laundry	Unit	\$181.62	\$216.13	\$257.19	\$306.06	\$364.21	\$433.41
Motel (per room)	Room	\$6.66	\$7.93	\$9.43	\$11.22	\$13.36	\$15.89
Office Unit	Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16
Rest Home (per bed)	Bed	\$7.06	\$8.40	\$10.00	\$11.90	\$14.16	\$16.85
Restaurants							
< 40 seats	Seats	\$80.71	\$96.04	\$114.29	\$136.01	\$161.85	\$192.60
41 to 60 seats	Seats	\$121.06	\$144.06	\$171.43	\$204.01	\$242.77	\$288.89
61 to 100 seats	Seats	\$161.41	\$192.08	\$228.57	\$272.00	\$323.68	\$385.18
> 100 seats	Seats	\$201.77	\$240.11	\$285.73	\$340.01	\$404.62	\$481.49
School (per student on 3/1)	Student	\$1.01	\$1.20	\$1.43	\$1.70	\$2.03	\$2.41
Theater	Unit	\$80.71	\$96.04	\$114.29	\$136.01	\$161.85	\$192.60
Veterinarians	Unit	\$60.54	\$72.04	\$85.73	\$102.02	\$121.40	\$144.47
Unlisted Uses [1]	Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16

[1] Determined by use of fixture units from the California Plumbing Code or as by means deemed appropriate by the City Engineer.

Wastewater Residential Bill Impacts

Table ES-2 presents the impacts to SFR bills from the implementation of the proposed August 8, 2019 wastewater service charges. The table shows that the wastewater bill of an SFR customer will increase from \$20.18 to \$24.01, an increase of \$3.83, or 19 percent.

Table ES-2
Comparison of Current Residential Monthly Bill with
Proposed Monthly Bill Using August 2019 Proposed Wastewater Charges

Residential Classification	Current Bill	Aug 2019 Proposed Bill	Dollar Change	Percent Change
Single Family	\$20.18	\$24.01	\$3.83	19.0%
Apartment, Condo	\$15.13	\$18.00	\$2.87	19.0%
Mobile Home	\$15.13	\$18.00	\$2.87	19.0%
Senior Apt Unit	\$7.06	\$8.40	\$1.34	19.0%

Wastewater Rate Survey

Chart ES-1 has been prepared to compare the City's SFR wastewater bill with those of other communities at the same consumption where appropriate. The chart indicates that with the implementation of the August 2019 wastewater service charges, an SFR customer will experience a bill that is among the lowest in San Luis Obispo County.

Chart ES-1
Comparison of Single-family Residential Monthly Wastewater Bills
For Rates in Effect April 2019



Note: Above table uses wastewater rates in effect April 2019. City's August 2019 bill is based on the wastewater service charges in Table 8. San Luis Obispo, Cambria, Paso Robles, Arroyo Grande, and Los Osos have a variable wastewater rate component and an average water consumption of 15 HCF and an average winter water use of 7 HCF have been assumed.

Capacity Charges

Capacity charges, sometimes referred to as connection fees, are one-time charges paid by a new customer connecting to the wastewater system for capacity in the System. Capacity charges are also charged to existing customers that require increased capacity from changes in their development.

The capacity charges determined in this report follow industry standard methods and are based the current value of the City's existing facilities and include the cost of future replacement facilities and future facilities that that serve new development. Capacity charges for implementation by the City are provided in Table 12 of this report and include capacity charges for other residential and non-residential development types.

Introduction

The City of Atascadero (City) engaged Tuckfield & Associates to conduct a comprehensive Wastewater Rate Study (Study) for its wastewater system (System). This Study includes development of a pro forma statement of revenues and revenue requirements of the wastewater enterprise and design of new wastewater service charges for implementation.

Background

The City of Atascadero was incorporated in 1979 and is located approximately 15 miles north of the City of San Luis Obispo. The City provides wastewater collection and treatment service to a portion of the City's population serving an area consisting of about 1,900 acres out of the total 5,000 acres within the City limits. Customers of the System include residential, commercial, and light industrial customers.

The wastewater collection system consists of about 63 miles of sewer pipe, 7 miles of sewer force main, and twelve lift stations that conveys wastewater to the City owned wastewater treatment plant. The treatment plant facilities consist of flow metering, headworks, lagoons, ponds, aeration facilities, percolation basins, and sludge drying beds. Facilities also include public works buildings, RV waste receiving station, and an irrigation well to serve a mixture of treated effluent and groundwater to Chalk Mountain Golf Course.

Current wastewater charges consist of monthly fixed charges collected through the county of San Luis Obispo tax rolls. Fixed charges for all customers are established as a multiple of the single-family residential (SFR) dwelling unit fixed charge. For example, a multifamily dwelling unit is charge 0.75 times that of the SFR charge whereas a restaurant with less than 40 seats is charged 4 times the SFR charge.

Objectives

The objectives of this Study are to (1) review the current and future financial status of the wastewater enterprise, (2) make any adjustments to the revenue being received to ensure that financial obligations are being met now and in the future, including adequate reserves and debt service coverage, and (3) design rates and charges that generate the required revenue while being fair and equitable for its customers. Additionally, the Study also sought to provide the following.

- Revenue sufficiency to fund operating and capital needs
- Appropriate levels of operating and capital reserves
- Rates and charges that are consistent with industry practice
- Stable revenue stream similar to the existing rate structure
- Ease of understanding and administration

Scope of the Study

This Study includes the findings and recommendations of analyzing the wastewater enterprise financial status and related capital improvement program (CIP) financing of the System. Historical trends were analyzed from data supplied by the City including current year's budget showing revenue and revenue requirements, financial audits, System master plans, and capital improvement plans.

Revenue requirements include operation and maintenance expense, annual replacement, and additions to reserves. Changing conditions such as additional facilities, utility growth, employee additions/reductions, and non-recurring maintenance expenditures are recognized. Inflation for ongoing expenditures is included to reflect cost escalation.

The financial plans and rates developed herein are based on funding of the capital improvement plan as stated as well as estimates of operation and maintenance expenses developed from information provided by the City. Deviation from the planning assumptions, financial plans, construction cost estimates and funding requirements, major operational changes, or other financial policy changes that were not foreseen, may result in the need for lower or higher revenue than anticipated. It is recommended that the City conduct an update to the rate study at least every three to five years for prudent rate planning.

Assumptions

Planning Factors

Several assumptions and planning factors were used to conduct the Study for the period FY 2019-20 to FY 2023-24. The assumptions include customer growth rates, expense inflation factors, debt terms, and other assumptions. Assumptions and financial planning factors are provided in Table 1.

Table 1
Assumption and Planning Factors

Description	Value
Account Growth	
Annual Account & Demand growth (EDUs) [1]	115
Interest Earnings Rate	
Interest earnings on fund reserves (annual)	1.5%
Escalation Factors	
Salaries and Wages [2]	5.0%
Benefits, Insurance, Taxes	10.0%
Electrical Power	3.0%
Chemicals	3.0%
All Other Operations and Maintenance	3.0%
Capital	3.0%
New Revenue Bond Debt	
Interest Rate	5.0%
Repayment Period (Term) - years	30
Bond Proceeds as a % of Issue Amount	92.0%
Bond Reserve (1 year's payment)	7.1%
Cost of Issuance	1.5%

[1] Growth in number of Equivalent Dwelling Units (EDUs) is based on October 2014 Wastewater Treatment Plant Master Plan Update.

[2] Escalation in a City personnel position is 5% percent annually.

City Reserve Policy

A reserve policy provides a basis to deal with unanticipated reductions in revenues, changes in the costs of providing services, fixed asset repair and replacement, natural disaster, and other issues. It also provides guidelines to maintain the financial health and stability of the enterprise fund. The City's goal is to maintain appropriate reserves related to wastewater operations and capital spending developed in this Study. These reserve types and their targets are described below.

Operating Reserve – The purpose of the Operating Reserve is to provide working capital to meet cash flow needs during normal operations and support the operation, maintenance and administration of the utility. This reserve ensures that operations can continue should there be significant events that impact cash flows. The target balance to be maintained is 180 days of annual O&M expense. Since O&M expense increases each year, the reserve to be maintained will increase annually also.

Capital Replacement Reserve – The Capital Replacement Reserve is used to fund future replacement of assets and capital projects. The City currently provides reserves related to capital spending by earmarking 26 percent of the revenue received from wastewater service charges as capital related, which is available for annual capital spending or accumulation as a capital reserve. This policy is utilized in this Study and the minimum reserve level used is average annual replacement expenditures, excluding the WRF Process Improvements and Lift Station #5 and #13 projects, is estimated at \$1,600,000.

Capital Emergency Reserve – The purpose of the emergency capital reserve is to provide protection against catastrophic loss and to provide a cushion for inaccuracy in long range replacement program. The Target reserve is established at 5 percent of the value of current capital fixed asset value. The amount is currently estimated at \$800,000 and will increase as CIP is booked into fixed assets.

City Beginning Balances

From the City's 2017 – 2019 Budget, the estimated beginning cash balances as of June 30, 2019 is \$10,112,000 shown in Table 2. This amount has been separated into beginning balances by reserve type as stated below. The City has accumulated capital replacement reserves for the specific purpose of their use towards the capital improvements identified in this Study. The operating and capital cash balances are used in the development of the financial plans for the System with the intent to meet the Target Reserves. Target Reserves are also shown below for the first year of the financial plan.

Table 2
Wastewater Enterprise Reserves

Reserve Type	Est. Reserve Balance June 30, 2019	Target Reserve
Operating	\$826,000	\$826,000
Capital Replacement	\$8,486,000	\$1,600,000
Capital Emergency	\$800,000	\$800,000
Total [1]	\$10,112,000	\$3,226,000

[1] Estimated Reserve Balance from FY 17-19 Budget, page C-10.

Wastewater Financial Planning

This section discusses the current wastewater service charges, user classifications, revenues and revenue requirements, planned capital improvement expenditures and associated financing sources, used in developing the wastewater utility financial plan. Revenue adjustments are discussed and proposed to sustain the wastewater enterprise.

Existing Wastewater Service Charges

The City's current wastewater service charges consist of monthly fixed charges to residential and non-residential customers. All customers are charged a fixed charge as a multiple of the SFR charge. The fixed charges can be adjusted annually and are billed through the San Luis Obispo County tax rolls.

The charge for an SFR dwelling unit is defined as one Equivalent Dwelling Unit (EDU). One EDU is the sewer flow and strength of a single-family residence stated in terms of maximum discharge flow in gallons per day (gpd) and strength consisting of bio-chemical oxygen demand (BOD) and suspended solids (SS). Service charges for other customers are based on their proportion of flow and strength relative to the single-family residence. The current wastewater charges are presented in Table 3.

Wastewater User Classifications

Number of Customers

Wastewater customers are currently classified as Residential and Non-Residential. The Residential classification is further separated into single-family residential, multifamily residential (apartment and condo), mobile home, and senior apartment. Non-Residential classifications consist of 18 separate classifications shown in Table 3.

Number of Equivalent Dwelling Units

The total number of EDUs are deduced from City information. Since each customer classification is charged a multiple of the SFR dwelling unit charge as listed in Table 3, the total number of EDUs can be determined from the revenue received from wastewater service charges and the current SFR dwelling unit charge.

From the City's FY 2017-19 Budget, the City expects to generate wastewater service charge revenue of \$2,038,500 in FY 2019-20. Dividing this revenue by the SFR monthly charge of \$20.18, or \$242.16 annually, the total number of EDUs is about 8,418 EDUs. The number of EDUs are planned to increase by 115 annually following the planning factors shown in Table 1.

Table 3
Current Monthly Wastewater Service Charges

Description	Current Charge	EDU Multiple	Unit of Measure
Residential Fixed Charges			
Single Family	\$20.18	1.00	Dwelling Unit
Apartment, Condo	\$15.13	0.75	Dwelling Unit
Mobile Home	\$15.13	0.75	Spaces
Senior Apt Unit	\$7.06	0.35	Dwelling Unit
Non-Residential Fixed Charges			
Financial Institutions	\$40.36	2.00	Unit
Bars	\$30.27	1.50	Unit
Carwash	\$151.35	7.50	Unit
Churches/Meeting Halls			
< 150 seats	\$26.83	1.33	Seats
150 to 250 seats	\$53.67	2.66	Seats
> 250 seats	\$60.63	3.00	Seats
Commercial Unit	\$20.18	1.00	Unit
Funeral Home	\$181.62	9.00	Unit
Gas Station	\$40.35	2.00	Unit
Grocery Store > 10,000 sf	\$161.41	8.00	1,000 sf
Gymnasium	\$201.77	10.00	Unit
Laundry	\$181.62	9.00	Unit
Motel (per room)	\$6.66	0.33	Room
Office Unit	\$20.18	1.00	Unit
Rest Home (per bed)	\$7.06	0.35	Bed
Restaurants			
< 40 seats	\$80.71	4.00	Seats
41 to 60 seats	\$121.06	6.00	Seats
61 to 100 seats	\$161.41	8.00	Seats
> 100 seats	\$201.77	10.00	Seats
School (per student on 3/1)	\$1.01	0.05	Student
Theater	\$80.71	4.00	Unit
Veterinarians	\$60.54	3.00	Unit
Unlisted Uses [1]	\$20.18	1.00	Unit

[1] Determined by use of fixture units from the California Plumbing Code or as by means deemed appropriate by the City Engineer.

Revenues

The City receives revenue from wastewater service charges and miscellaneous revenues. Table 4 presents the projected revenue from current wastewater service charges of the wastewater utility. The revenue is projected by applying the current wastewater charges from Table 3 to the projected number of EDUs.

Table 4
Projected Wastewater Service Charge Revenues Using Existing Charges

Description	Estimated	Projected			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Service Charge Revenues					
Number of EDUs	8,418	8,533	8,648	8,763	8,878
Charge per EDU	\$20.18	\$20.18	\$20.18	\$20.18	\$20.18
Total Service Charge Revenues	\$2,038,500	\$2,066,400	\$2,094,200	\$2,122,000	\$2,149,900

In addition to revenue from wastewater service charges, the City receives miscellaneous revenue from several sources including sewer connection fees, sewer extension fees, tap-in fees, permit and inspection fees, and other miscellaneous revenue. Table 5 provides the estimated and projected revenue from miscellaneous sources.

Table 5
Projected Miscellaneous Revenues

Description	Budget	Projected			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Miscellaneous Revenues [1]					
Permits and Inspections	\$5,200	\$5,400	\$5,600	\$5,800	\$6,000
Sewer Extension Fees [2]	138,000	144,900	152,100	159,700	167,700
Sewer Connection Fees [2]	642,000	642,000	642,000	642,000	642,000
Well Water	40,000	40,000	40,000	40,000	40,000
Tap-in Fees	5,500	5,500	5,500	5,500	5,500
Total Miscellaneous Revenues	\$830,700	\$837,800	\$845,200	\$853,000	\$861,200

[1] Interest income is included in Table 8.

[2] FY 2019-20 includes revised Sewer Connection Fees from Table 11.

Revenue Requirements

Revenue requirements of the wastewater utility include operation and maintenance expense and annual replacement capital spending. Additionally, new debt is proposed to meet the capital improvement spending that is planned by the City. Each of these items are discussed below.

Operation and Maintenance Expense

Operation and maintenance (O&M) expenses are an on-going obligation of the wastewater utility and such costs are normally met from wastewater service revenue. O&M expenses include the cost to operate and maintain the wastewater collection system, lift stations, and wastewater treatment facilities. Costs also include technical services and other general and administrative expenses.

O&M expense for FY 2019-20 is provided from the City's Budget. Future O&M expense has been projected recognizing the major expense categories of personnel services, electricity, chemicals, and all other expenses. Personnel costs consist of salaries and benefits expense of those personnel directly involved with providing wastewater service. Cost inflation for personnel services costs are projected to increase by 5 percent annually beginning in FY 2020-21.

Annual escalation in electricity, chemicals, and all other expense is projected to increase by 3 percent based on expectations of future expense inflation. Table 6 below summarizes projected O&M expense for the wastewater utility. Table A-1 in Appendix A provides the detailed projections of historical and projected wastewater O&M expense.

Annual Replacement

The City provides for annual capital replacement by allocating 26 percent of wastewater service charge revenue for this purpose. This amount is spent annually towards replacement, identified in the capital improvement plan discussed below, or is accumulated in the capital reserve for future replacement spending.

Table 6
Summary of Projected Operation and Maintenance Expense

Description	Budget	Projected			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Operation and Maintenance Expense					
Collection	\$270,400	\$281,300	\$292,600	\$304,400	\$316,600
Treatment	288,100	301,500	315,600	330,200	345,400
General Operations [1]	1,182,600	1,270,500	1,476,700	1,571,100	1,910,300
Total Projected O&M Expense	\$1,741,100	\$1,853,300	\$2,084,900	\$2,205,700	\$2,572,300

[1] Salaries & wages are included in General Operations costs. Includes new Wastewater Operator positions in FY 2021-22 and new Operator and Maintenance worker (1 and 1/2 positions) in FY 2023-24.

Debt Service

The City does not currently have any outstanding debt. However, new debt is proposed to partially finance certain capital improvements as discussed below. The debt service payments associated with the proposed debt is paid from revenues and is a revenue requirement of the utility. Future debt service payments are expected to include \$919,000 beginning in FY 2021-22 and an additional \$707,100 in FY 2023-24. The debt issue in FY 2021-22 is planned to provide \$13 million in proceeds while the debt issue in FY 2023-24 is expected to provide \$10 million in proceeds. The debt payments assume an interest rate of 5 percent, term of 30 years, 2 percent issuance costs, and a debt service reserve. While the City may be able to secure less expensive financing from other sources, traditional loan financing is assumed for this debt issue to ensure sufficient funds are provided at the appropriate time.

Wastewater Capital Improvement Program

The City has developed a CIP plan that lists capital expenditures for FY 2019-20 through FY 2028-29. The first five years of the CIP plan is summarized in Table 7 however the complete listing of projects is provided in Appendix A-2. Both tables include 3 percent annual inflation in the project costs to the year of expenditure. The CIP plan consists of various repair, replacement and rehabilitation projects with the largest project consisting of the Water Reclamation Facility (WRF) Process Improvements totaling \$23.15 million in inflated dollars.

Table 7
Summary of Capital Improvement Program Expenditures and Sources of Funding

Description	Projected				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Capital Improvement Spending [1]	\$3,079,000	\$4,044,100	\$8,321,600	\$10,065,600	\$10,622,000
Sources and Uses of Capital Funds					
Beginning Year Balance [2]	\$9,286,000	\$7,479,700	\$4,838,400	\$11,076,400	\$2,759,200
Transfer In Annual Capital Replacement	630,700	760,800	917,600	1,106,400	1,334,000
Transfer In Sewer Connection Fees	642,000	642,000	642,000	642,000	642,000
New Bond Proceeds (net of issuance costs)	-	-	13,000,000	-	10,000,000
CIP Project Expenditures	(3,079,000)	(4,044,100)	(8,321,600)	(10,065,600)	(10,622,000)
Sources Less Uses	\$7,479,700	\$4,838,400	\$11,076,400	\$2,759,200	\$4,113,200
Target Capital and Emergency Reserve [3]	2,400,000	2,500,000	2,900,000	3,400,000	3,800,000

[1] Entire list of CIP projects is provided in Appendix A-2.

[2] FY 2019-20 beginning balance includes all sources of available cash except operating reserve of 6 months of annual O&M expense.

[3] Includes Capital Reserve Target equal to average annual replacement and Emergency Capital Reserve equal to 5% of fixed asset value.

Funding provided for the CIP includes capital reserves, annual replacement revenue from wastewater service charges, sewer connection fee revenue, and new debt proceeds. Construction of the WRF Process Improvements is planned to be partially financed with a proposed debt issue providing proceeds as stated above. The capital financing plan in Appendix A-2 shows the funding of future CIP that includes the debt proceeds as well as ending cash balances for a 10-year period.

Wastewater Financial Plan

The financial plan provides the means of analyzing the impacts of projected revenue and revenue requirements on funding on-going O&M expense and annual capital infrastructure requirements, as well as the impact on reserves. The financial plan includes the revenues, O&M expense, annual replacement, and debt service that were identified above. The plan also incorporates specific financial planning goals to provide guidance to maintain the health of the wastewater utility on an on-going basis. The goals included the following.

- Generate positive levels of income in each year of the Study period
- Maintain operating and capital reserves at or greater than target levels
- Maintain debt service coverage ratios at or greater than the minimum required, estimated at 125%
- Meet annual capital replacement spending from the annual provision from wastewater service revenue

Proposed Revenue Adjustments

Table 8 shows the pro forma statement of revenue and revenue requirements for the wastewater utility. The table also includes proposed annual revenue increases recommended to meet the financial planning goals for the Study period. The proposed revenue adjustments include annual increases of 19 percent beginning August 8, 2019 and then on each July 1 for the next four years July 2020 and continuing through July 2023. The proposed adjustments are planned to increase revenue over the next five years to fund O&M expense, annual replacement, debt service, and reserves for the Study period.

The combined operating and capital reserve balance initially increases, then decreases with the beginning of the debt service payments from the proposed debt. The combined operating and operating reserve balance remains above the Target Reserve level in all years of the study period. Additionally, Table 8 also shows that the calculated debt service coverage ratio is met in all years.

This Study also proposes increases in sewer connection fees discussed in a later section of this report. Table 8 shows that revenue received from new connection fees is increased from the update to the charges. The revenue received from connection fees can only be spent on capital projects for which the fees were collected. Therefore, the connection fee revenue received is shown as a transfer out in Table 8 to be spent on capital projects where it is shown as a source of funds in Table 7.

Table 8
Wastewater Financial Plan

Description	Projected				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Proposed Rate Increase (Aug 8)	19.0%				
Proposed Rate Increase (July 1)		19.0%	19.0%	19.0%	19.0%
Operating Revenues					
Service Charge Revenues, Existing Rates [1]	\$2,038,500	\$2,066,400	\$2,094,200	\$2,122,000	\$2,149,900
Additional Revenue from Rate Adjustments [2]	355,000	859,800	1,434,900	2,133,400	2,980,700
Miscellaneous Revenues [3]	830,700	837,800	845,200	853,000	861,200
Interest Earnings [4]	140,700	114,800	145,300	132,800	82,000
Total Operating Revenues	\$3,364,900	\$3,878,800	\$4,519,600	\$5,241,200	\$6,073,800
Operating Expenses					
Operation and Maintenance Expense	\$1,740,500	\$1,853,300	\$2,084,900	\$2,205,700	\$2,572,300
New Bond Debt Service [5]	0	0	919,300	919,300	1,626,400
Annual Replacement [6]	622,300	760,800	917,600	1,106,400	1,334,000
Transfer Sewer Connection Fees to Capital	642,000	642,000	642,000	642,000	642,000
Total Operating Expenses	\$3,004,800	\$3,256,100	\$4,563,800	\$4,873,400	\$6,174,700
Net Balance From Operations	\$360,100	\$622,700	(\$44,200)	\$367,800	(\$100,900)
Annual Debt Service Coverage					
Net Revenues [7]	\$1,624,400	\$2,025,500	\$2,434,700	\$3,035,500	\$3,501,500
Total Annual Debt Service	\$0	\$0	\$919,300	\$919,300	\$1,626,400
Coverage	n/a	n/a	265%	330%	215%
Combined Operating and Capital Reserves					
Beginning Available Reserves	\$10,112,000	\$8,657,400	\$6,638,800	\$12,832,600	\$4,883,200
Increase (Decrease) Reserve	(1,454,600)	(2,018,600)	6,193,800	(7,949,400)	1,253,100
Ending Available Reserves	\$8,657,400	\$6,638,800	\$12,832,600	\$4,883,200	\$6,136,300
Target Operating and Capital Reserves	\$3,270,000	\$3,427,000	\$3,942,000	\$4,503,000	\$5,086,000
Above (below) Target	\$5,387,400	\$3,211,800	\$8,890,600	\$380,200	\$1,050,300

- [1] Projected using the existing wastewater rates. Changes in rate based revenues are due to customer and demand growth.
- [2] FY 2019-20 increase effective Aug 8. All other increases are effective July 1.
- [3] Miscellaneous revenue includes Permits and Inspections, Sewer Extension Fees, Sewer Connection Fees, Well Water, and Tap-in Fees.
- [4] Interest earnings on the average fund balance calculated at 1.50%.
- [5] Debt service related to new bond proceeds listed in Table 7. Assumes interest rate of 5.0%, 30 year term, and issuance expenses.
- [6] Equal to 26% of sewer service charge revenue and additional revenue from rate adjustments.
- [7] Includes revenue from rates, interest earnings, and miscellaneous revenues less operation and maintenance expense.

Wastewater Rate Design

This section describes how wastewater service charges are designed and also provides the proposed schedule of wastewater rates for implementation.

EDU Wastewater Flow

The City's Wastewater Treatment Plant (WWTP) Master Plan provides a residential wastewater flow of 70 gallons per capita per day (gpcd) with a peaking factor of 1.3. Using this information and a persons-per-household (PPH) value of 2.65 from the City's General Plan, a flow estimate for an SFR customer can be calculated. Multiplying 70 gpcd by 2.65 PPH and by the peaking factor of 1.3, results in a flow estimate of 240 gallon per day (gpd) representing maximum month flow. This is the same flow used by the existing wastewater service charge schedule. Therefore, the EDU multiples for each customer classification shown in Table 2 are assumed to be reasonable and will be used to establish the future wastewater service charges for existing customers.

Strength Factor and EDU Multiple

As discussed in the Existing Wastewater Service Charges section, one EDU is the sewer flow and strength of a single-family residence, stated in terms of maximum discharge flow in gallons per day (gpd) and strength consisting of bio-chemical oxygen demand (BOD) and suspended solids (SS). A Strength Factor can be developed whereby a customer's proportion of BOD and SS strength relative to the SFR dwelling unit can be calculated and stated separately. The Equivalent Dwelling Unit is the product of the customer's flow in relation to the SFR flow, multiplied by the Strength Factor. Service charges for wastewater customers are calculated as follows.

$$\text{Wastewater Service Charge} = (\text{Customer Flow/SFR Flow}) \times \text{Strength Factor} \times \text{SFR Service Charge}$$

$$= \text{EDU Multiple} \times \text{SFR Service Charge}$$

Therefore, wastewater service charges for various user groups can be calculated from their estimated flow and Strength Factor which are proportional to the SFR wastewater service charge.

Proposed Wastewater Service Charges

The revenue increases outlined in Table 8 are applied to the SFR dwelling unit fixed charge to determine the proposed charges in future years. Applying the EDU multiples from the current wastewater service charge schedule shown in Table 3, to the SFR charge provides the wastewater service charges for other residential and non-residential customers. The proposed wastewater service charges are shown in Table 9.

Table 9
Current and Proposed Wastewater Service Charges

Description	EDU Multiple	Unit of Measure	Current	Date of Increase				
				Aug 8, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023
Residential Fixed Charges								
Single Family	1.00	Dwelling Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16
Apartment, Condo	0.75	Dwelling Unit	\$15.13	\$18.00	\$21.43	\$25.50	\$30.34	\$36.11
Mobile Home	0.75	Spaces	\$15.13	\$18.00	\$21.43	\$25.50	\$30.34	\$36.11
Senior Apt Unit	0.35	Dwelling Unit	\$7.06	\$8.40	\$10.00	\$11.90	\$14.16	\$16.85
Non-Residential Fixed Charges								
Financial Institutions	2.00	Unit	\$40.36	\$48.03	\$57.15	\$68.01	\$80.94	\$96.31
Bars	1.50	Unit	\$30.27	\$36.02	\$42.87	\$51.01	\$60.70	\$72.23
Carwash	7.50	Unit	\$151.35	\$180.11	\$214.33	\$255.05	\$303.51	\$361.17
Churches/Meeting Halls								
< 150 seats	1.33	Seats	\$26.83	\$31.93	\$37.99	\$45.21	\$53.80	\$64.03
150 to 250 seats	2.66	Seats	\$53.67	\$63.87	\$76.00	\$90.44	\$107.63	\$128.08
> 250 seats	3.00	Seats	\$60.63	\$72.15	\$85.86	\$102.17	\$121.58	\$144.68
Commercial Unit	1.00	Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16
Funeral Home	9.00	Unit	\$181.62	\$216.13	\$257.19	\$306.06	\$364.21	\$433.41
Gas Station	2.00	Unit	\$40.35	\$48.02	\$57.14	\$68.00	\$80.92	\$96.29
Grocery Store > 10,000 sf	8.00	1,000 sf	\$161.41	\$192.08	\$228.57	\$272.00	\$323.68	\$385.18
Gymnasium	10.00	Unit	\$201.77	\$240.11	\$285.73	\$340.01	\$404.62	\$481.49
Laundry	9.00	Unit	\$181.62	\$216.13	\$257.19	\$306.06	\$364.21	\$433.41
Motel (per room)	0.33	Room	\$6.66	\$7.93	\$9.43	\$11.22	\$13.36	\$15.89
Office Unit	1.00	Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16
Rest Home (per bed)	0.35	Bed	\$7.06	\$8.40	\$10.00	\$11.90	\$14.16	\$16.85
Restaurants								
< 40 seats	4.00	Seats	\$80.71	\$96.04	\$114.29	\$136.01	\$161.85	\$192.60
41 to 60 seats	6.00	Seats	\$121.06	\$144.06	\$171.43	\$204.01	\$242.77	\$288.89
61 to 100 seats	8.00	Seats	\$161.41	\$192.08	\$228.57	\$272.00	\$323.68	\$385.18
> 100 seats	10.00	Seats	\$201.77	\$240.11	\$285.73	\$340.01	\$404.62	\$481.49
School (per student on 3/1)	0.05	Student	\$1.01	\$1.20	\$1.43	\$1.70	\$2.03	\$2.41
Theater	4.00	Unit	\$80.71	\$96.04	\$114.29	\$136.01	\$161.85	\$192.60
Veterinarians	3.00	Unit	\$60.54	\$72.04	\$85.73	\$102.02	\$121.40	\$144.47
Unlisted Uses [1]	1.00	Unit	\$20.18	\$24.01	\$28.58	\$34.01	\$40.47	\$48.16

[1] Determined by use of fixture units from the California Plumbing Code or as by means deemed appropriate by the City Engineer.

Service Charge Variances

It is suggested that the City reserve the right to determine a new wastewater customer's monthly charge by estimating the wastewater flow through the use of fixture units according to the California Plumbing Code or other methods deemed appropriate by the City Engineer. The resulting wastewater flow would be applied to the formula provided in a previous section. A new wastewater customer classification may be created that is not listed in Table 9.

Wastewater Bill Impact Analysis

The impact to the single-family customer bill that would occur from the implementation of the proposed wastewater service charges for the August 2019 increase is provided in Table 10 below. The table shows that the wastewater bill of an SFR customer will increase from \$20.18 to \$24.01, an increase of \$3.83, or 19 percent.

Table 10
Comparison of Current Residential Monthly Wastewater Bill with
Proposed Monthly Bill Using August 2019 Wastewater Service Charges

Residential Classification	Current Bill	Aug 2019 Proposed Bill	Dollar Change	Percent Change
Single Family	\$20.18	\$24.01	\$3.83	19.0%
Apartment, Condo	\$15.13	\$18.00	\$2.87	19.0%
Mobile Home	\$15.13	\$18.00	\$2.87	19.0%
Senior Apt Unit	\$7.06	\$8.40	\$1.34	19.0%

Wastewater Rate Survey

A wastewater rate survey was conducted for neighboring communities to the City of Atascadero. Chart 1 compares the City's SFR monthly wastewater bill with those of neighboring communities at the same use. Wastewater bills were calculated assuming a 5/8" meter or 3/4" meter where that is the smallest size available, and a monthly use of 15 hundred cubic feet (HCF) and an average winter water use of 7 HCF where applicable. The rate survey includes rate schedules in effect April 2019 and provides wastewater bills for the City using the current service charges and for the proposed service charges from Table 9 for implementation August 8, 2019.

From reviewing Chart 1, the City's proposed August 8, 2019 SFR monthly wastewater bill is among the lowest in San Luis Obispo County.

Chart 1
Comparison of Single-family Residential Monthly Wastewater Bills
For Rates in Effect April 2019



Note: Above table uses wastewater rates in effect April 2019. City's August 2019 bill is based on the wastewater service charges in Table 9. San Luis Obispo, Cambria, Paso Robles, Arroyo Grande, and Los Osos have a variable wastewater rate component and an average water consumption of 15 HCF and an average winter water use of 7 HCF have been assumed.

Capacity Charges

Capacity charges, sometimes referred to as connection fees, are one-time charges paid by new customers as a capital contribution for capacity in the wastewater system. These charges can also be assessed to customers requiring increased capacity requirements to serve changes in their development. Proceeds from capacity charges are to be placed into an account separate from all other accounts and are to be used to finance the development of growth related infrastructure. The proceeds are a financing source for future facilities.

Capacity charges are calculated recognizing EDU multiples of the different customer classifications stated in the wastewater service charge schedule in Tables 9. The calculation of the capacity charge is proposed as follows.

$$\begin{aligned} \text{Capacity Charge} &= (\text{Customer Flow} / \text{SFR Flow}) \times \text{Strength Factor} \times \text{SFR Capacity Charge} \\ &= \text{EDU Multiple} \times \text{SFR Capacity Charge} \end{aligned}$$

The SFR capacity charge is calculated following standard methods by identifying the existing fixed asset value, in terms of replacement cost less depreciation, and the CIP value that is related to replacement and to serving future growth. Table 11 provides a summary of the calculations used to determine the capacity charge for an SFR dwelling unit. The capacity charges have been developed using the combination methodology, a combination of the buy-in and incremental cost methodology whereby the charges are based on the value of existing capacity and value of CIP replacement and growth-related projects.

Table 11
Development of Single-family Residential Capacity Charge

Line No.	Description	RCLD Value	Contributions/ Debt Principal	Asset Value	Capacity gpd	Capacity Charge \$/gpd
Existing Plant Investment						
1	Collection	\$15,743,199	(\$12,226,755)	\$3,516,444		
2	Pumping and Lift Stations	2,429,453	-	2,429,453		
3	Treatment	7,123,338	-	7,123,338		
4	General Plant	3,068,790	-	3,068,790		
5	Total Existing Plant Investment	\$28,364,780	(\$12,226,755)	\$16,138,025	2,280,000	\$7.08
Capital Improvements (CIP)						
6	Replacement Related	\$39,300,150	(\$22,900,000)	\$16,400,150	2,280,000	\$7.19
7	Growth Related Improvements	\$7,611,850	(5,100,000)	2,511,850	510,000	\$4.93
8	Total CIP	\$46,912,000	(\$28,000,000)	\$18,912,000		
Adjustments						
9	Capital Cash Balance	\$9,286,000		\$9,286,000	2,280,000	\$4.07
10	Total Value	\$84,562,780		\$44,336,025		
11	Unit Valuation of Existing Wastewater System (\$/gpd)					\$23.269
12	Single-family Residential Demand (gpd)					240
13	Connection Fee (Replacement) ((line 5 + line 7 + line 10) * line 13)					\$4,403
14	Connection Fee (Growth-Related) (line 8 * line 13)					\$1,182
15	Single-family Residential Capacity Charge					\$5,584

Using the capacity charge for the SFR dwelling unit and the formula described above, a capacity charge schedule is developed as shown in Table 12 for existing development types. The capacity charges provided in Table 12 should be adjusted annually by the percentage increase in the Engineering News Record Construction Cost Index (ENR-CCI).

Table 12
Schedule of Capacity Charges

Development Type	EDU Multiple	Unit of Measure	Capacity Charge
Residential			
Single Family	1.00	Dwelling Unit	\$5,584
Apartment, Condo	0.75	Dwelling Unit	\$4,186
Mobile Home	0.75	Spaces	\$4,186
Senior Apt Unit	0.35	Dwelling Unit	\$1,953
Non-Residential			
Financial Institutions	2.00	Unit	\$11,168
Bars	1.50	Unit	\$8,376
Carwash	7.50	Unit	\$41,880
Churches/Meeting Halls			
< 150 seats	1.33	Seats	\$7,426
150 to 250 seats	2.66	Seats	\$14,853
> 250 seats	3.00	Seats	\$16,752
Commercial Unit	1.00	Unit	\$5,584
Funeral Home	9.00	Unit	\$50,256
Gas Station	2.00	Unit	\$11,168
Grocery Store > 10,000 sf	8.00	1,000 sf	\$44,672
Gymnasium	10.00	Unit	\$55,840
Laundry	9.00	Unit	\$50,256
Motel (per room)	0.33	Room	\$1,842
Office Unit	1.00	Unit	\$5,584
Rest Home (per bed)	0.35	Bed	\$1,954
Restaurants			
< 40 seats	4.00	Seats	\$22,336
41 to 60 seats	6.00	Seats	\$33,504
61 to 100 seats	8.00	Seats	\$44,672
> 100 seats	10.00	Seats	\$55,840
School (per student on 3/1)	0.05	Student	\$279
Theater	4.00	Unit	\$22,336
Veterinarians	3.00	Unit	\$16,752
Unlisted Uses	1.00	Unit	\$5,584

Capacity Charge Variances

For any new wastewater customer, the City may reserve the right to charge the customer using estimated flow based on fixture units according to the California Plumbing Code, or other method deemed appropriate by the City's engineer. The capacity charge may be calculated using the formula provided above.

Appendix A

Wastewater Technical Appendices

Wastewater Historical and Projected Operation and Maintenance Expense, Capital Improvement Program with Sources and Uses Funding, and the Wastewater Financial Plan are detailed in Appendix A.

Appendix A-1
Historical and Projected Operation and Maintenance Expense

	Inflationary	Historical				Budget		Projected [1]								
Description	Escalation	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
COLLECTION																
Electricity	3% [1]	\$64,418	\$67,310	\$76,842	\$78,762	\$68,000	\$71,921	\$76,016	\$80,292	\$84,757	\$89,417	\$94,280	\$99,355	\$104,649	\$110,172	\$115,932
Chemicals	3% [1]	19,777	21,035	33,644	28,427	30,000	31,730	33,537	35,424	37,394	39,450	41,596	43,835	46,171	48,608	51,149
Operating Supplies	3%	16,400	9,291	4,130	7,008	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439
Vehicle & Equip Supp & Repair	3%	9,092	49,270	38,232	27,197	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794
Contract Services	3%	104,065	101,009	45,777	39,100	70,350	72,461	74,634	76,873	79,180	81,555	84,002	86,522	89,117	91,791	94,545
Other	3%	5,209	5,255	5,989	6,315	6,500	6,709	6,924	7,147	7,376	7,612	7,856	8,108	8,369	8,638	8,915
Total Collection Expense		\$218,962	\$253,170	\$204,614	\$186,809	\$259,850	\$270,371	\$281,288	\$292,618	\$304,375	\$316,573	\$329,229	\$342,360	\$355,982	\$370,115	\$384,774
TREATMENT																
Electricity	3% [1]	\$162,906	\$162,468	\$172,653	\$174,898	\$170,000	\$179,803	\$190,042	\$200,733	\$211,895	\$223,546	\$235,705	\$248,392	\$261,628	\$275,435	\$289,835
Operating Supplies	3%	26,899	26,777	22,426	32,206	37,000	38,110	39,253	40,431	41,644	42,893	44,180	45,505	46,870	48,277	49,725
Vehicle & Equip Supp & Repair	3%	7,303	7,542	16,693	8,321	13,000	13,390	13,792	14,205	14,632	15,071	15,523	15,988	16,468	16,962	17,471
Contract Services	3%	42,444	44,845	46,309	52,325	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196
Other	3%	4,518	5,078	5,271	4,962	5,100	5,253	5,411	5,574	5,740	5,912	6,089	6,273	6,461	6,654	6,854
Total Treatment Expense		\$244,070	\$246,709	\$263,352	\$272,712	\$275,100	\$288,056	\$301,543	\$315,579	\$330,186	\$345,386	\$361,200	\$377,652	\$394,766	\$412,567	\$431,081
GENERAL OPERATIONS																
Salaries and Wages	5% [2]	\$335,262	\$344,379	\$358,567	\$378,829	\$374,145	\$396,905	\$433,473	\$527,672	\$554,059	\$717,394	\$753,262	\$790,924	\$830,472	\$872,002	\$915,602
Benefits	10%	175,224	195,165	209,180	231,496	242,231	274,703	302,172	387,786	426,566	569,772	626,748	689,427	758,370	834,207	917,626
Insurance	3%	(5,503)	15,806	16,451	21,956	16,050	16,532	17,027	17,538	18,064	18,606	19,165	19,739	20,332	20,942	21,570
Operating Supplies	3%	23,482	22,661	42,224	27,381	26,000	26,780	27,583	28,411	29,263	30,141	31,045	31,977	32,936	33,924	34,942
Vehicle & Equipment Repairs	3%	23,688	24,943	22,605	38,333	36,000	37,080	38,192	39,338	40,518	41,734	42,986	44,275	45,604	46,972	48,381
Contract Services	3%	10,702	1,495	4,515	680	11,500	11,845	12,200	12,566	12,943	13,332	13,732	14,144	14,568	15,005	15,455
Franchise Fees		35,865	37,121	38,251	38,636	51,850	48,516	58,524	70,582	85,108	102,612	109,132	116,058	123,396	131,182	139,436
Departmental Service Allocation	3%	79,510	67,240	74,160	72,410	72,320	74,490	76,724	79,026	81,397	83,839	86,354	88,944	91,613	94,361	97,192
Administrative Services	3%	118,340	199,130	202,650	217,520	221,960	228,619	235,477	242,542	249,818	257,312	265,032	272,983	281,172	289,607	298,296
Contingency Reserve	3%	0	0	0	0	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439
Other	3%	45,038	44,305	59,583	33,535	55,180	56,834	58,543	60,297	62,107	63,968	65,886	67,864	69,899	71,997	74,156
Total G&A Expenses		\$841,608	\$952,245	\$1,028,186	\$1,060,776	\$1,117,236	\$1,182,604	\$1,270,524	\$1,476,685	\$1,571,098	\$1,910,303	\$2,025,283	\$2,148,634	\$2,281,030	\$2,423,247	\$2,576,095
Total O&M Expenses		\$1,304,640	\$1,452,124	\$1,496,152	\$1,520,297	\$1,652,186	\$1,741,031	\$1,853,355	\$2,084,882	\$2,205,659	\$2,572,262	\$2,715,712	\$2,868,646	\$3,031,778	\$3,205,929	\$3,391,950

[1] Expense increases from additional wastewater flow due to growth as well as cost escalation.

[2] Includes a new Wastewater Operator position occurring in year FY 2021-22 and FY 2023-24, and an allocation of a 0.5 FTE in FY 2023-24.

Table A-2
Capital Improvement Program With Sources and Uses of Funds

Description	Estimated		Projected							
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Current Capital Improvement Projects (CIP) [1]										
Wastewater Treatment Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WRF Process Improvements and Upgrades	-	309,000	3,026,700	9,759,700	10,052,500	-	-	-	-	-
Percolation Basin Capacity Evaluation	-	36,100	-	-	-	-	-	-	-	-
Dredge Pipe Replacement	-	-	-	38,200	-	-	-	-	-	-
Aerator Replacement Program	19,000	19,600	20,200	-	-	-	-	-	-	-
Lift Stations	-	-	-	-	-	-	-	-	-	-
Lift Station No. 2 Replacement	1,332,000	-	-	-	-	-	-	-	-	-
Lift Station No. 5 and Force Main Replacement	-	-	-	-	-	1,233,500	7,193,000	-	-	-
Lift Station No. 6 and Force Main Upgrades	-	-	-	-	164,300	955,200	-	-	-	-
Lift Station 4, 7, 9 11, 14, 15 Rehabilitation Projects	473,000	-	-	-	-	-	-	-	-	-
Lift Station No. 13 and Force Main Replacement	-	848,700	4,951,200	-	-	-	-	-	-	-
Collection	-	-	-	-	-	-	-	-	-	-
Highway 41 and El Camino Real Sewer Improvements	-	-	-	-	-	-	-	-	281,200	1,641,400
Traffic Way Sewer Improvements	389,000	2,269,100	-	-	-	-	-	-	-	-
Various Locations Sewer Condition Improvements	456,000	-	-	-	-	1,496,600	-	1,587,800	-	-
4x4 Loader	-	-	159,100	-	-	-	-	-	-	-
Asset Management Program and Work Order System	-	103,000	-	-	-	-	-	-	-	-
CCTV Truck	200,000	-	-	-	-	-	-	-	-	-
Combo Truck Storage Structure	15,000	-	-	-	-	-	-	-	-	-
Inflow and Infiltration Study	-	30,900	-	-	33,800	-	-	36,900	-	-
Portable Bypass Pump	-	77,300	-	-	-	-	119,400	-	-	-
Portable Generator (Total of 2)	-	97,900	-	-	-	-	-	123,000	-	-
Service Vehicle Replacement (Total of 6)	35,000	36,100	-	38,200	-	40,600	-	43,000	-	45,700
Skip and Drag	-	97,900	-	-	-	-	-	-	-	-
Annual GIS Maintenance & Modeling Support	15,000	15,500	15,900	16,400	16,900	17,400	17,900	18,400	19,000	19,600
Manhole Rehabilitation & Sewer Line Repairs	100,000	103,000	132,600	136,600	168,800	173,900	209,000	215,200	253,400	261,000
Sewer System Management Plan Audit	15,000	-	15,900	-	16,900	-	17,900	-	19,000	-
Wastewater Fee Study	-	-	-	54,600	-	-	-	61,500	-	-
Wastewater Customer Database Review	-	-	-	21,900	-	-	-	24,600	-	-
Sewer System Management Plan Update	30,000	-	-	-	-	34,800	-	-	-	-
Wastewater Master Plan Update	-	-	-	-	168,800	-	-	-	-	-
Total	\$3,079,000	\$4,044,100	\$8,321,600	\$10,065,600	\$10,622,000	\$3,952,000	\$7,557,200	\$2,110,400	\$572,600	\$1,967,700
Sources and Uses of Capital Funds										
Beginning Year Balance [2]	\$9,286,000	\$7,479,700	\$4,838,400	\$11,076,400	\$2,759,200	\$4,113,200	\$2,221,900	\$1,815,500	\$1,951,200	\$3,726,000
Transfer In Annual Capital Replacement	630,700	760,800	917,600	1,106,400	1,334,000	1,418,700	1,508,800	1,604,100	1,705,400	1,812,700
Transfer In Sewer Connection Fees	642,000	642,000	642,000	642,000	642,000	642,000	642,000	642,000	642,000	642,000
Additional Funding from Net Operating Revenues	-	-	-	-	-	-	-	-	-	-
New Bond Proceeds (net of issuance costs)	-	-	13,000,000	-	10,000,000	-	5,000,000	-	-	-
CIP Project Expenditures	(\$3,079,000)	(\$4,044,100)	(\$8,321,600)	(\$10,065,600)	(\$10,622,000)	(\$3,952,000)	(\$7,557,200)	(\$2,110,400)	(\$572,600)	(\$1,967,700)
Sources Less Uses	\$7,479,700	\$4,838,400	\$11,076,400	\$2,759,200	\$4,113,200	\$2,221,900	\$1,815,500	\$1,951,200	\$3,726,000	\$4,213,000
Target Capital and Emergency Reserve	\$2,400,000	\$2,500,000	\$2,900,000	\$3,400,000	\$3,800,000	\$4,000,000	\$4,300,000	\$4,300,000	\$4,200,000	\$4,200,000

[1] CIP Source: CIP Project list provided by the City.

[2] The available cash balance reflects the City's FY 2019-20 Budget less Operating Reserve.

Appendix A-3 Wastewater Financial Plan

Description	Projected									
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Proposed Rate Increase (Aug 8)	19.0%									
Proposed Rate Increase (July 1)		19.0%	19.0%	19.0%	19.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Operating Revenues										
Service Charge Revenues, Existing Rates [1]	\$2,038,500	\$2,066,400	\$2,094,200	\$2,122,000	\$2,149,900	\$2,177,700	\$2,205,600	\$2,233,400	\$2,261,300	\$2,289,100
Additional Revenue from Rate Adjustments [2]	355,000	859,800	1,434,900	2,133,400	2,980,700	3,278,900	3,597,300	3,936,400	4,297,800	4,682,700
Miscellaneous Revenues [3]	830,700	837,800	845,200	853,000	861,200	869,800	878,800	888,200	898,100	908,500
Interest Earnings [4]	140,700	114,800	145,300	132,800	82,000	77,800	58,400	53,600	66,800	84,800
Total Operating Revenues	\$3,364,900	\$3,878,800	\$4,519,600	\$5,241,200	\$6,073,800	\$6,404,200	\$6,740,100	\$7,111,600	\$7,524,000	\$7,965,100
Operating Expenses										
Operation and Maintenance Expense	\$1,740,500	\$1,853,300	\$2,084,900	\$2,205,700	\$2,572,300	\$2,715,700	\$2,868,700	\$3,031,800	\$3,205,900	\$3,392,000
New Bond Debt Service [5]	0	0	919,300	919,300	1,626,400	1,626,400	1,980,000	1,980,000	1,980,000	1,980,000
Annual Replacement [6]	622,300	760,800	917,600	1,106,400	1,334,000	1,418,700	1,508,800	1,604,100	1,705,400	1,812,700
Transfer Sewer Connection Fees to Capital	642,000	642,000	642,000	642,000	642,000	642,000	642,000	642,000	642,000	642,000
Total Operating Expenses	\$3,004,800	\$3,256,100	\$4,563,800	\$4,873,400	\$6,174,700	\$6,402,800	\$6,999,500	\$7,257,900	\$7,533,300	\$7,826,700
Net Balance From Operations	\$360,100	\$622,700	(\$44,200)	\$367,800	(\$100,900)	\$1,400	(\$259,400)	(\$146,300)	(\$9,300)	\$138,400
Annual Debt Service Coverage										
Net Revenues [7]	\$1,624,400	\$2,025,500	\$2,434,700	\$3,035,500	\$3,501,500	\$3,688,500	\$3,871,400	\$4,079,800	\$4,318,100	\$4,573,100
Total Annual Debt Service Coverage	\$0	\$0	\$919,300	\$919,300	\$1,626,400	\$1,626,400	\$1,980,000	\$1,980,000	\$1,980,000	\$1,980,000
	n/a	n/a	265%	330%	215%	227%	196%	206%	218%	231%
Combined Operating and Capital Reserves										
Beginning Available Reserves	\$10,112,000	\$8,657,400	\$6,638,800	\$12,832,600	\$4,883,200	\$6,136,300	\$4,246,400	\$3,580,600	\$3,570,000	\$5,335,500
Increase (Decrease) Reserve	(1,454,600)	(2,018,600)	6,193,800	(7,949,400)	1,253,100	(1,889,900)	(665,800)	(10,600)	1,765,500	625,400
Ending Available Reserves	\$8,657,400	\$6,638,800	\$12,832,600	\$4,883,200	\$6,136,300	\$4,246,400	\$3,580,600	\$3,570,000	\$5,335,500	\$5,960,900
Target Operating and Capital Reserves	\$3,270,000	\$3,427,000	\$3,942,000	\$4,503,000	\$5,086,000	\$5,358,000	\$5,734,000	\$5,816,000	\$5,803,000	\$5,896,000
Above (below) Target	\$5,387,400	\$3,211,800	\$8,890,600	\$380,200	\$1,050,300	(\$1,111,600)	(\$2,153,400)	(\$2,246,000)	(\$467,500)	\$64,900

[1] Projected using the existing wastewater rates. Changes in rate based revenues are due to customer and demand growth.

[2] FY 2019-20 increase effective Aug 8. All other increases are effective July 1.

[3] Miscellaneous revenue includes Permits and Inspections, Sewer Extension Fees, Sewer Connection Fees, Well Water, and Tap-in Fees.

[4] Interest earnings on the average fund balance calculated at 1.50%.

[5] Debt service related to new bond proceeds listed in Table 7. Assumes interest rate of 5.0%, 30 year term, and issuance expenses.

[6] Equal to 26% of sewer service charge revenue and additional revenue from rate adjustments.

[7] Includes revenue from rates, interest earnings, and miscellaneous revenues less operation and maintenance expense.



Atascadero City Council

Staff Report – Community Development Department

Drive-Through Businesses (CPP19-0082)

RECOMMENDATION:

Council discuss drive-through businesses and the City's existing Municipal Code that regulates them and provide direction to staff on whether an update to the Municipal Code or other action addressing drive-through businesses is necessary.

DISCUSSION:

Background:

There are currently 22 permitted drive-through businesses in the City with three additional applications currently in process. The Council has expressed the desire to discuss the disposition of drive-through businesses within the City including their effect on traffic and the overall quality and character of the City. Staff has provided an analysis of current drive through business along with a look at our existing Drive-Through Ordinance (AMC 9-4.122).

Drive-Through Businesses Summary

How a drive-through business is identified may vary. Most common are fast food restaurants, followed by coffee shops. Other businesses with a drive-through feature include banks and pharmacies, which typically have longer wait times and much lower demand. For the purposes of this analysis, drive-through facilities will be identified as facilities with one or more drive-through windows where customers are served without leaving their cars with the intent of immediately getting back onto the road.

Below is a list of businesses within the City that currently offer a drive-through service:

Drive-Through Businesses in Atascadero

IN PROCESS	EXISTING RESTAURANTS	EXISTING OTHER (Banks & Pharmacies)
Human Bean Coffee	The Habit	Rabobank/Mechanics Bank
Taco Bell at Del Rio	Taco Bell 7385 ECR	Coast Hills Credit Union
Starbucks at West Front	Starbucks 925 ECR	Pacific Premier Bank
	Starbucks 7029 ECR	Walgreens
	In-N-Out	Sesloc Credit Union
	McDonalds	Rite Aid
	Wendy's	
	Carl's Jr	
	Taco El Tucan	
	Brew It Coffee	
	Wienerschintzel	
	Burger King	
	Jack in the Box	
	KFC	
	A&W	

City of Atascadero Zoning Requirements for Drive-Through Businesses

The Atascadero Municipal Code identifies drive-through businesses as facilities where food or other products may be purchased or where services may be obtained by motorists without leaving their vehicles. The code includes site design standards for drive-through businesses. Examples of drive-through service facilities include drive-through bank teller windows, automated teller machines (ATM), dry cleaners/laundromats, etc., but do not include service stations, car washes or other vehicle services. The majority of drive-through businesses in the City are related to food and beverage purchases. All drive through facilities require the review and approval of a Conditional Use Permit by the Planning Commission. Drive-through businesses are not allowed in the **Downtown, Residential, Agriculture, Public, Open Space** or **Industrial** zoning districts. The only drive-through business located in the Downtown district is Rabobank, which is considered a legal non-conforming use that was established prior to the prohibition of such businesses in the Downtown. The other drive through locations in the downtown were recently removed by the new building addition at the former Citibank building across the street from Rabobank and the former Jack in the Box at the La Plaza site.

<u>Conditional Use Permit Required</u>	<u>Drive-Through Not Permitted</u>
<ul style="list-style-type: none"> ▪ Commercial Tourist (CT) ▪ Commercial Neighborhood (CN) ▪ Commercial Retail (CR) ▪ Commercial Professional (CP) ▪ Commercial Park (CPK) ▪ Commercial Service (CS) 	<ul style="list-style-type: none"> ▪ Downtown Zones (DT) ▪ Residential Zones (RS, LSF, RSF, RMF) ▪ Industrial Zones (IP, I) ▪ Agriculture Zone (A) ▪ Recreation (L) & Special Recreation (LS) ▪ Public (P) ▪ Open Space (OS)

Section 9-4.122 of the Atascadero Municipal Code addresses the site design and development standards required for drive-through facilities. These standards apply to any type of drive-through, and are not limited to drive-through restaurants:

9-4.122 Drive-in and drive-through facilities.

This section establishes supplementary standards for retail trade or service uses which conduct business while customers remain in their vehicles. Such uses may include drive-through facilities that are accessory to a principal building where business is conducted indoors or that conduct all business by means of drive-through facilities. Such uses may include but are not limited to drive-in restaurants, fast food establishments with drive-through take-out windows, photo-finishing services, and bank services. These standards are not applicable to service stations (Section 9-6.164).

(a) Site Location Criteria. A site that contains drive-in or drive-through facilities shall be located on a collector or arterial, provided that access to drive-through facilities may be to a local street when properties across the local street from the exit driveway are not in a residential zone.

(b) On-site Traffic Control. Sites with drive-through facilities shall provide internal circulation and traffic control devices as follows:

(1) Lane Separation. An on-site circulation pattern shall be provided for drive-through traffic that separates such traffic from that of stopover customers. Separation may be by paint-striped lanes from the point of site access to the stacking area described in subdivision (2) of this subsection. such lanes are to be a minimum width of ten (10) feet.

(2) Stacking Area. An area shall be provided for cars waiting for drive-through service that is physically separated from other traffic circulation on the site. That stacking area shall accommodate a minimum of four (4) cars per drive-through window in addition to the car(s) receiving service. Separation of the stacking area from other traffic shall be by concrete or asphalt curbing on at least one side of the lane. Stacking areas shall be designed to preclude excessive overflow into public streets.

(3) Directional Signals. Signs shall be provided that indicate the entrance, exit and one-way path of drive-through lanes.

Issues Related to Drive-Through Businesses

Drive-through facilities are a common discussion item in land use planning. Throughout the country, including in the City of San Luis Obispo, the City of Long Beach, and Baldwin Park (where In and Out was founded), there has been a proliferation of municipal law and zoning changes to prohibit drive-through facilities or limit their use to certain zoning areas, especially for fast food restaurants. The reasons may include health promotion, environmental concerns as a result of queuing vehicles, community character and aesthetics, traffic concerns, safety, and walkability. Since 2003, speed of service times (the time between customer placing their order and receiving the product), has declined by 2.6 minutes, which means more car idling and longer queues.

In examining the topic, the following characteristics may require a closer look:

- Community aesthetics, character and quality

- Traffic (drive-through restaurants are one of the largest traffic volumes of any land use)
- Noise
- Air pollution
- Promotion of community walkability, active transportation, and public transportation
- Promotion of commerce and placemaking

The issues identified as most relevant to the City of Atascadero are community character and aesthetics, environmental concerns, and potential traffic impacts. Recent studies have shown that new fast casual restaurants that serve a higher quality product, may increase queuing time for drive-through businesses and possibly increase transportation and air quality impacts as a result of increased queuing. In the City of Atascadero, there are three types of drive-through businesses: food/Coffee service, banks, and pharmacies. The food service uses typically generate the highest traffic volumes, while banks and pharmacies often have longer wait times. Due to longer wait times clients often shut off their vehicle for bank and pharmacy drive-through services. The current code is dated and was not written to respond to current drive-through demand. For example, the code only requires that vehicle queue length accommodate 4 vehicles. The typical queue length at an In-N-Out or Taco Bell restaurant is more than 10 vehicles. Furthermore, our current code does not address neighborhood compatibility, adjacency to residential uses, or sound from loudspeakers.

Why Atascadero attracts Drive-Through Businesses

Since Atascadero's layout is linear, with a seven mile long arterial road that parallels Highway 101, the design of the City's commercial corridor and transportation system caters to an automobile environment. Drive-through businesses create a place for the travelling tourist to exit the highway and stop in for food and services. This design factor is likely the reason our community has the highest volume of drive-through businesses in the region.

Economic Effects

Drive-through businesses provide revenues to the City through direct sources such as tax revenues, and through indirect sources such as spillover from the travelling tourist that may stop in town to do other things. Many national restaurant chains, pharmacies, and banks view drive-through options as a necessary project component. Drive-through businesses also bring income to the City indirectly. Visitors that stop in the City to utilize a drive-through businesses may also fill up on gas and possibly look for lodging as well. Based on these reasons, it appears that a ban or moratorium on drive-through could have a negative economic effect on City tax revenue.

Policy and Legal Basis:

Existing General Plan Policies

The City of Atascadero's General Plan includes goals and policies that address the retail corridor. Some policies are directed towards limiting drive-through businesses and

promotion of economic development that increases community character, walkability, and economic sustainability. General Plan policy LOC 3 states:

Transform the existing El Camino Real “strip” into a distinctive, attractive and efficient commercial, office and industrial park area which can provide for the long-term economic viability of the community.

Policy 3.1: Encourage retail businesses at efficient and attractive nodes along El Camino Real and Morro Road with mixed office and residential uses between those nodes.

Programs: (11) Amend and maintain the zoning ordinance to require Conditional use Permit approvals of bars, dance halls, night clubs, drive through restaurants, and service stations (all gasoline sales uses).

Program (12) Develop street design standards for El Camino Real that provide for street trees, landscaping, and pedestrian comfort.

In addition to the policies cited above, the City of Atascadero’s General Plan includes "Atascadero's Smart Growth Principles", which are intended to supplement the goals of the General Plan. As stated previously in the discussion on community character, drive-through businesses do not align with Smart Growth principles.

Development Impact Fees

In order to protect the health, safety, and welfare of the community and to ensure that adequate capital facilities are provided for the residents of the City, assuring new development in the City pays its fair share of the cost of providing these facilities, the City levies Development Impact Fees. A portion of these fees address circulation impacts of new development and the fee is determined based on the type of development (i.e. residential, commercial, office, tourist-commercial lodging, manufacturing/industrial, etc.) When the average daily trip generation per square foot is 25 percent higher than 0.041 for commercial use the City **may** charge Circulation Impact Fees for commercial development using the Alternative Cost per Single Trip Method using the ITE Trip Calculation 7th Edition for Commercial/Industrial Uses. Since increased traffic is a concern for drive-through businesses, this alternative method for the calculation of circulation impact fees for these businesses can better account for and mitigate the impacts.

Legality of Drive-through Restrictions

There have been numerous court cases which have dealt with the legality of bans or restrictions on drive-through businesses. The cases have generally indicated that bans will be upheld if there is a rational relationship to a legitimate governmental purpose of promoting the public health, safety, morals, or general welfare. To be unconstitutional, the ordinance or decision must be arbitrary, capricious, or not rationally related to a legitimate government purpose. The following cases are examples of these court cases:

- *Franchise Developers, Inc. v. City of Cincinnati*, 505 N.E.2d 966, 971 (Ohio 1987)
The City denied a permit to develop a Wendy's restaurant. The denial was based on an ordinance requiring franchise establishments in an overlay district to be "primarily pedestrian and not automobile oriented." The City's decision was upheld. The Supreme Court of Ohio found, among other things, that the City's "attempt to preserve and protect the character of certain neighborhoods" was a proper exercise of its zoning authority and that "there is a legitimate governmental interest in maintaining the aesthetics of the community and, as such, aesthetic considerations may be taken into account by the legislative body in enacting zoning legislation."
- *McDonald's Corporation v. Board of Trustees, Village of Elmsford*, (New York 1994)
The board denied a McDonald's a special permit to develop a drive-in restaurant within the Village of Elmsford in Westchester County. The restaurant was to be located 1,320 feet from an existing Wendy's drive-in restaurant; the zoning ordinance required 2,000 feet between such establishments. The decision was upheld and it was found that the complainant did not satisfactorily address issues related to traffic.
- *Bellas v. Planning Board of Weymouth*, No. 00-P-1837 (Massachusetts 2002)
Decision of planning board to deny a special permit for a drive-through window at a Dunkin Donuts facility was upheld because of the "board's concerns with traffic and pedestrian safety had a reasonable basis in fact."
- *Bess Eaton Donut Flour Company, Inc. v. Zoning Board of Review of Town of Westerly*, (Rhode Island 2000)
Denial of a special use permit for a drive-through window at Bess Eaton Donut's bake shop upheld because "there was sufficient, competent evidence in the record to support the dissenting member's denial of the special use permit based on incompatibility with the surrounding neighborhood and the threat of increased traffic congestion and hazard."

City Council Options

1. Ask staff to return with updates to the City's drive through Ordinance to respond to current drive through demand and design. Such an update will take staff time and will need to be prioritized based on current workload. Anticipated time frame for an update would be approximately 3 months and could occur in spring 2020. However, at this time, staff is still working on the El Camino Plan, The Del Rio Specific Plan, the Housing Element, and development review projects such as a future project for Barrel Creek, Dove Creek, a micro home village near San Anselmo, and of course the downtown La Plaza project and public plaza. City Council will need to consider the prioritization of such a code amendment given existing work efforts. An update could examine:
 - a) What Zoning districts may conditionally allow drive-through businesses
 - b) Whether banks and pharmacies should be treated the same as restaurants and coffee shops

- c) Whether there should be minimum distances from residential properties
 - d) Whether there should be expanded minimum queuing lengths (current code only requires 4 vehicles)
 - e) Whether outdoor speakers should be limited or prohibited
 - f) Whether drive through restaurants should have on-site dining requirements
 - g) Design standards for projects that include drive-through businesses
2. City Council may wish to place a moratorium on new drive through businesses until such a time that new analysis and a code amendment can take place. Such a moratorium would not limit applications that are currently in process. Staff could return with an urgency ordinance to place a moratorium on drive through businesses within the next 30 days. Such an ordinance would go into effect immediately and would last 45 days. During the 45 days, staff could return with a longer term moratorium so that these topics could be evaluated with a comprehensive code update.
3. Council may choose to continue without changes to the existing ordinance and may direct staff to examine this topic with a future Citywide General Plan update.
4. With or without a change to the existing Ordinance, Council direct staff to charge, at a minimum, the Alternative Cost per Single Trip Method to drive-through businesses where the average daily trip per square foot is higher than 0.041 for commercial uses in order to more appropriately account for the circulation impact of these businesses.

FISCAL IMPACT:

Updating the zoning code related to Drive-Through Businesses is expected to take a significant amount of staff time. It is anticipated that a change in zoning related to drive-through businesses may be more controversial in nature and may require a more robust public process to address concerns. Staff is estimating approximately 200 hours in staff time, plus an additional \$2,000 in expenses for public meeting noticing and support.

An interim moratorium on drive-through businesses in the City would have a much smaller immediate impact on staff; however, depending on the length of the moratorium, there could be a decrease in direct or indirect tax revenue from future drive through businesses. Applications or projects already in process will not be impacted by the moratorium and will continue to be processed consistent with Atascadero Municipal Code Section 9-4.122.

ALTERNATIVES:

Council may take no action, or continue the item for additional information.

ATTACHMENTS:

None.



Atascadero City Council

Staff Report - Fire and Emergency Services

Implementation of the Compliance Engine Inspection Tracking System

RECOMMENDATION:

Council adopt Draft Resolution authorizing staff to enter into a contract with Brycer, LLC, to implement "The Compliance Engine", a records management system that increases the compliance of life safety building inspections, providing for increased safety for the public and fire personnel.

DISCUSSION:

The Fire Code requires life safety systems such as fire alarms, automatic fire sprinklers, fire standpipes, commercial kitchen hood extinguishing systems, emergency generators and back flow devices to be inspected regularly by a certified, third-party contractor. For example, commercial hood system cleanings are certified every 3 months and fire sprinklers have both an annual and five-year certification. These third-party contractors are licensed by the California State Fire Marshal and independently hired by business owners to complete the installation, inspection and any necessary repairs.

Atascadero Fire and Emergency Services is required to complete annual fire inspections of hotels, motels, apartment buildings, care facilities and schools. These inspections are conducted by the City Fire Marshal and/or the on-duty fire engine company and includes access, egress, address identification, storage of combustible materials, location of fire extinguishers and other miscellaneous fire hazards. These inspections also give staff the opportunity to ensure that the required third-party inspection of life safety systems has been completed. There are however, many other businesses within the City of Atascadero with systems that may not be inspected annually by the Department. Businesses not inspected annually by Atascadero Fire personnel include restaurants and occupancies such as auto mechanics, wood working, office and retail. Because they are not inspected annually, there is no assurance that the life safety systems in these buildings were inspected by the third-party contractor or that maintenance work is completed when needed.

The Compliance Engine is an internet-based program for Fire Departments that tracks and drives inspection and testing compliance. It provides a secure cloud environment in which third-party contractors who inspect, test, and maintain fire protection systems of

Atascadero businesses will submit their reports online directly to Atascadero Fire & Emergency Services. The Compliance Engine facilitates an efficient review, tracking, and follow-up process with building owners to correct deficiencies and maintain systems.

The Compliance Engine also proactively locates business with life safety systems in the community that are not up to date with inspection compliance. Finally, in addition to the web-based technology, The Compliance Engine provides additional services including hard and soft copy notifications, call services, analytics and consultation.

The Compliance Engine charges the third-party contractor \$15 per annual report. There is no cost to the City.

With The Compliance Engine, Fire Departments, like Atascadero's, are better equipped to attain 100% compliance with fire protection systems testing and maintenance laws. The end result is a comprehensive and accurate aggregation of data around which Atascadero Fire can identify the location, type of system and when it was last tested. Any deficiencies that could jeopardize their successful activation during a fire will be identified and mitigated resulting in safer buildings for both the public and fire personnel.

FISCAL IMPACT:

There will be no fiscal impact to the City.

ALTERNATIVES:

Council may direct staff not to enter into a contract with Brycer, LLC, to implement The Compliance Engine.

ATTACHMENTS:

1. Draft Resolution
2. "The Compliance Engine" Contract

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING THE AGREEMENT WITH BRYCER, LLC AND ATASCADERO FIRE & EMERGENCY SERVICES FOR AN INTERNET BASED SERVICE KNOWN AS “THE COMPLIANCE ENGINE” WHICH WILL BE THE SOLE APPROVED METHOD OF TRANSMITTING RECORDS OF INSPECTIONS TO ATASCADERO FIRE & EMERGENCY SERVICES

WHEREAS, Atascadero Fire & Emergency Services is currently responsible for tracking the inspection, testing and maintenance of fire and life safety systems within the City of Atascadero and occupancies that have fire and life safety systems installed are required by the California Fire Code to be inspected and tested on a regular basis; and

WHEREAS, Section 107.3 of the California Fire Code requires that records of required tests, inspections and re-inspections be filed with the Fire Chief; and

WHEREAS, the Fire Chief is authorized by California Fire Code 107.3 to prescribe the form and format of such record keeping and the Fire Chief is authorized to require that certain required records be filed with the Fire Chief; and

WHEREAS, the Fire Chief finds the internet-based service known as “The Compliance Engine” to be a reliable, secure, easy to use, cost-effective, responsive service that will facilitate inspectors’ and property owners’ compliance with California Fire Code; and

WHEREAS, “The Compliance Engine” increases the ability of fire prevention divisions to track and drive code compliance, reduce false alarm activity and provide a safer community.

WHEREAS, the Compliance Engine provides a secure cloud environment that would require third-party contractors that inspect, test, and maintain fire and life safety systems to submit their reports on The Compliance Engine web-based site portal directly to the Atascadero Fire and Emergency Services Department facilitating a more efficient review, tracking, and follow-up process with occupants to correct deficiencies and maintain systems.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The foregoing recitals are true and correct and the City Council so finds and determines.

SECTION 2. The City Council authorizes the City Manager to execute a 3-year contract with Brycer LLC, The Compliance Engine.

SECTION 3. That Atascadero Fire & Emergency Services is authorized to implement “The Compliance Engine” as the sole methodology for transmission of fire inspection reports and tests to the department.

SECTION 4. This Resolution shall take effect 30 days after its adoption, and shall remain in effect, until revised by the City Council.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th day of ____, 2019.

On motion by Council Member_____ and seconded by Council Member_____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

BRYCER, LLC
4355 Weaver Parkway
Suite 330
Warrenville, IL 60555

September 1st, 2019

City of Atascadero
6500 Palma Ave
Atascadero, CA 93422

Re: "The Compliance Engine"

Dear City of Atascadero:

We look forward to providing you with "The Compliance Engine" (the "Solution"). This proposal letter provides the basic terms by which Brycer, LLC ("Brycer") will provide you, City of Atascadero ("Client"), with the Solution. The use of the Solution and all matters between Brycer and Client will be subject to the standard "Terms and Conditions" attached to this proposal as Exhibit A. The basic terms are as follows:

1. **Term**: Brycer will provide Client with the Solution for three years, commencing November 1st, 2019 (the "Initial Term"). Thereafter, the Term shall automatically renew for successive three year periods unless terminated by Brycer or Client in writing at least 90 days prior to the expiration of the then current Term (each, a "Renewal Term" and together with the Initial Term, the "Term"). Following the expiration or termination of the Term (as provided in the Terms and Conditions), Client shall stop using the Solution; provided, however, Brycer shall make available, and Client shall have the right to download, Client's data from the Solution for a period of 60 days after the expiration or termination of the Term. Client shall have the right to terminate this agreement upon giving 90 days written notice to Brycer.

2. **Fees**: Client shall not pay any fees for use of the Solution. Brycer will collect all fees due and payable by third party inspectors in connection with activities relating to the Solution. Brycer and Client shall not change the fee charged to third party inspectors unless written consent made by both Brycer and Client. Brycer will charge \$15 for each inspection done by third party contractors and the fee shall not be increased otherwise noted by both Brycer and the Client in written format.

3. **Brycer Responsibilities**: During the Term, Brycer shall be responsible for the following in connection with Client's use of the Solution:

- **Availability**. Brycer shall make the Solution available to Client as set forth on Exhibit B. The maintenance schedule and minimum service levels for the Solution are set forth on Exhibit B.
- **Service Level**. Brycer shall provide commercially reasonable levels of customer service with respect to the Solution to all third parties who transact business with Client and access the Solution.
- **Backup**. Brycer shall backup the database used in connection with the Solution to a separate server located within the same web hosting firm which the Solution is being hosted on a real time basis. Upon request by Client (which can be no more than once a month) or made prior to or within 60 days after the effective date of termination of the Term, Brycer will make available to Client a complete and secure (i.e. encrypted and appropriately

authenticated) download file of Client data in XML format including all schema and attachments in their native format. Brycer shall maintain appropriate administrative, physical and technical safeguards for protection of the security, confidentiality and integrity of Client data. Brycer shall not (a) modify Client data or (b) disclose Client data except as required by law.

- ***Retention of Information.*** Brycer will maintain all information entered into the database by third party inspectors for at least five years from the time such information is entered into the database.
- ***Notices.*** Brycer will be responsible for generating and delivering the following notices to third parties in connection with the Solution: (a) reminders of upcoming inspections that are due; (b) notices that an inspection is past due; and (c) notices of completed inspection reports which contain one or more deficiencies.
- ***Call Center*** Phone calls by Brycer on behalf of the Client to the property for EACH life-safety system overdue for service based on dates automatically tracked within the TCE database. Brycer is not an agent of the Client and all scripts for the overdue calls will be approved by the Client.
- ***Updates and Enhancements.*** In the event Brycer releases any updates, corrections, or enhancements to the Solution during the Term, Brycer shall promptly provide such updates or corrections to Client free of any charge or fee.

4. **Client Responsibilities:** During the Term, Client shall be responsible for the following in connection with Client's use of the Solution:

- ***Operating System.*** Client shall be solely responsible for providing a proper operating environment, including computer hardware or other equipment and software, for any portion of the Solution installed on the Client's equipment (the "Client Access Software") and for the installation of network connections to the Internet. In addition to any other Client Access Software requirements, Client must use version Internet Explorer 11.0, Edge, Firefox version 37, Chrome 40 or Safari 7.1 (or more recent versions), in addition to having a .pdf reader installed on machines to view attachments.
- ***Training.*** Client shall allow Brycer at Client's facilities to train all applicable personnel of Client on the use of the Solution.
- ***Information.*** Client shall promptly provide Brycer with all appropriate information necessary for Brycer to create the database for the Solution, including without limitation: (a) all commercial building addresses within [jurisdiction] for Brycer's initial upload; and (b) quarterly updates to in a format acceptable to Brycer in its discretion.
- ***Enforcement.*** Client shall take all actions necessary to require (e.g. resolution, ordinance, fire policy, code amendment) the use of the Solution by third party inspection companies.
- ***Reports.*** Client will require all compliant and deficient test results to be submitted.

5. **Ownership of Data.** Client owns all the data provided by Client and received from third party contractors for Client. Brycer shall maintain appropriate administrative, physical and technical safeguards for protection of the security, confidentiality and integrity of Client's data.

Please acknowledge your acceptance of this proposal and our standard Terms and Conditions by counter-signing this proposal below. We look forward to a long-term and mutually beneficial relationship with you.

Brycer, LLC

By: _____
Its: _____

Acknowledged and Agreed to this
___ day of _____, 20___:

[CLIENT]

By: _____
Its: _____

Exhibit A

Terms and Conditions

Any capitalized terms not defined in these Terms and Conditions shall have the meaning assigned to it in that certain Letter Agreement attached hereto by and between Brycer, LLC and Client (the "Agreement").

1. Restrictions on Use. Client shall not copy, distribute, create derivative works of or modify the Solution in any way. Client agrees that: (a) it shall only permit its officers and employees (collectively, the "Authorized Users") to use the Solution for the benefit of Client; (b) it shall use commercially reasonable efforts to prevent the unauthorized use or disclosure of the Solution; (c) it shall not sell, resell, rent or lease the Solution; (d) it shall not use the Solution to store or transmit infringing or otherwise unlawful or tortious material, or to store or transmit material in violation of third party rights; (e) it shall not interfere with or disrupt the integrity or performance of the Solution or third-party data contained therein; (f) it shall not reverse engineer, translate, disassemble, decompile or otherwise attempt to create any source code which is derived from the Solution (g) it shall not permit anyone other than the Authorized Users to view or use the Solution and any screen shots of the Solution and (h) it shall not disclose the features of the Solution to anyone other than the Authorized Users. Client is responsible for all actions taken by the Authorized Users in connection with the Solution.
2. Proprietary Rights. All right, title and interest in and to the Solution, the features of the Solution and images of the Solution as well any and all derivative works or modifications thereof (the "Derivative Works"), and any accompanying documentation, manuals or other materials used or supplied under this Agreement or with respect to the Solution or Derivative Works (the "Documentation"), and any reproductions works made thereof, remain with Brycer. Client shall not remove any product identification or notices of such proprietary rights from the Solution. Client acknowledges and agrees that, except for the limited use rights established hereunder, Client has no right, title or interest in the Solution, the Derivative Works or the Documentation.
3. Independent Contractor. Nothing in the Agreement may be construed or interpreted as constituting either party hereto as the agent, principal, employee or joint venturer of the other. Each of Client and Brycer is an independent contractor. Neither may assume, either directly or indirectly, any liability of or for the other party. Neither party has the authority to bind or obligate the other party and neither party may represent that it has such authority.
4. Reservation of Rights. Brycer reserves the right, in its sole discretion and with prior notice to Client, to discontinue, add, adapt, or otherwise modify any design or specification of the Solution and/or Brycer's policies, procedures, and requirements specified or related hereto. All rights not expressly granted to Client are reserved to Brycer, including the right to provide all or any part of the Solution to other parties.
5. Use of Logos. During the term of this Agreement, Brycer shall have the right to use Client's logos for the purpose of providing the Solution to Client.
6. Confidential Information. Brycer and Client acknowledge and agree that in providing the Solution, Brycer and Client, as the case may be, may disclose to the other party certain confidential, proprietary trade secret information ("Confidential Information"). Confidential Information may include, but is not limited to, the Solution, computer programs, flowcharts, diagrams, manuals, schematics, development tools, specifications, design documents, marketing information, financial information or business plans. Each party agrees that it will not, without the express prior written consent of the other party, disclose any Confidential Information or any part thereof to any third party. Notwithstanding the foregoing, the parties acknowledge that Client and Brycer shall be permitted to comply with any all federal and state laws concerning disclosure provided that any such required disclosure will not include any of Brycer's screen shots. The disclosing party shall provide prior written notice of any required disclosure of the nondisclosing party's Confidential Information to the nondisclosing party and shall disclose only the information that is required to be disclosed by law. In the event that Client requests from Brycer any reports or other information for purposes of complying with federal and state disclosure laws, Brycer shall provide such information within five business day following such request. Confidential Information excludes information: (a) that is or becomes generally available to the public through no fault of the receiving party; (b) that is rightfully received by the receiving party from a third party without limitation as to its use; or (c) that is independently developed by receiving party without use of any Confidential Information. At the termination of this Agreement, each party will return the other party all Confidential Information of the other party. Each party also agrees that it shall not duplicate, translate, modify, copy, printout, disassemble, decompile or otherwise tamper with any Confidential Information of the other party or any firmware, circuit board or software provided therewith.
7. Brycer Warranty. Brycer represents and warrants to Client that Brycer has all rights necessary in and to any patent, copyright, trademark, service mark or other intellectual property right used in, or associated with, the Solution, and that Brycer is duly authorized to enter into this Agreement and provide the Solution to Client pursuant to this Agreement.
8. Disclaimer. All information entered into Brycer's database is produced by third party inspectors and their agents. **THEREFORE, BRYCER SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION ENTERED INTO BRYCER'S DATABASE BY EITHER CLIENT OR THIRD PARTY INSPECTORS. EXCEPT AS SET FORTH IN SECTION 7, BRYCER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SOLUTION OR ANY OTHER INFORMATION AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, ARE HEREBY DISCLAIMED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. BRYCER'S SOLE LIABILITY FOR BREACH OF THE REPRESENTATION AND WARRANTY SET FORTH IN SECTION 7, AND CLIENT'S SOLE REMEDY, SHALL BE THAT BRYCER SHALL INDEMNIFY AND HOLD RECIPIENT HARMLESS FROM AND AGAINST ANY LOSS, SUIT, DAMAGE, CLAIM OR DEFENSE ARISING OUT OF BREACH OF THE REPRESENTATION AND WARRANTY.**
9. LIMITATION ON DAMAGES. BRYCER SHALL ONLY BE LIABLE TO CLIENT FOR DIRECT DAMAGES PURSUANT TO THE AGREEMENT. EXCEPT AS OTHERWISE PROVIDED IN SECTION 7, IN NO EVENT SHALL BRYCER BE LIABLE FOR OR OBLIGATED IN ANY MANNER FOR SPECIAL, CONSEQUENTIAL, OR INDIRECT DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF USE, LOSS OF PROFITS OR SYSTEM DOWNTIME. CLIENT ACKNOWLEDGES AND AGREES THAT IN NO CASE SHALL BRYCER'S LIABILITY FOR ANY LOSS OF DATA OR DATA INTEGRITY EXCEED THE REPLACEMENT COST OF THE MEDIA ON WHICH THE DATA WAS STORED.
10. Risks Inherent to Internet. Client acknowledges that: (a) the Internet is a worldwide network of computers, (b) communication on the Internet may not be secure, (c) the Internet is beyond the control of Brycer, and

(d) Brycer does not own, operate or manage the Internet. Client also acknowledges that there are inherent risks associated with using the Solution, including but not limited to the risk of breach of security, the risk of exposure to computer viruses and the risk of interception, distortion, or loss of communications. Client assumes these risks knowingly and voluntarily releases Brycer from all liability from all such risks. Not in limitation of the foregoing, Client hereby assumes the risk, and Brycer shall have no responsibility or liability of any kind hereunder, for: (1) errors in the Solution resulting from misuse, negligence, revision, modification, or improper use of all or any part of the Solution by any entity other than Brycer or its authorized representatives; (2) any version of the Solution other than the then-current unmodified version provided to Client; (3) Client's failure to timely or correctly install any updates to the Client Access Software; (4) problems caused by connecting or failure to connect to the Internet; (5) failure to provide and maintain the technical and connectivity configurations for the use and operation of the Solution that meet Brycer's recommended requirements; (6) nonconformities resulting from or problems to or caused by non-Brycer products or services; or (7) data or data input, output, accuracy, and suitability, which shall be deemed under Client's exclusive control.

11. **Indemnity.** Brycer (the "Indemnifying Party") will defend and indemnify Client against any damages, losses, liabilities, causes of action, costs or expenses arising from Brycer's breach of this Agreement, gross negligence or intentional misconduct. Client will defend and indemnify Brycer against any damages, losses, liabilities, costs or expenses (including reasonable attorneys' fees) arising from Client's breach of this Agreement, gross negligence or intentional misconduct. Client acknowledges that Brycer does not create any of the data and information included in the Solution and is not responsible for and does not assess or make any suggestions or recommendations with respect to any such data or information. Client will defend and indemnify Brycer against any damages, losses, liabilities, costs or expenses (including reasonable attorneys' fees), claims, demands, suits or proceedings made or brought against Brycer by a third party in connection with Client's or an Authorized User's use of the Solution, or any action or inaction taken by a third party, including, but not limited to, third party inspectors, in connection with such third party providing services for Client or otherwise at Client's or an Authorized User's request or direction.
12. **Breach.** Brycer shall have the right to terminate or suspend this Agreement, and all of Client's rights hereunder, immediately upon delivering written notice to Client detailing Client's breach of any provision of this Agreement. If Client cures such breach within 5 days of receiving written notice thereof, Brycer shall restore the Solution and Client shall pay any fees or costs incurred by Brycer in connection with the restoration of the Solution.
13. **Illegal Payments.** Client acknowledges and agrees that it has not received or been offered any illegal or improper bribe, kickback, payment, gift or anything of value from any employee or agent of Brycer in connection with the Agreement.
14. **Beneficiaries.** There are no third party beneficiaries to the Agreement.
15. **Force Majeure.** Neither party shall be responsible for any failure to perform due to unforeseen, non-commercial circumstances beyond its reasonable control, including but not limited to acts of God, war, riot, embargoes, acts of civil or military authorities, fire, floods, earthquakes, blackouts, accidents, or strikes. In the event of any such delay, any applicable period of time for action by said party may be

deferred for a period of time equal to the time of such delay, except that a party's failure to make any payment when due hereunder shall not be so excused.

16. **Notices.** All notices required in the Agreement shall be effective: (a) if given personally, upon receipt; (b) if given by facsimile or electronic mail, when such notice is transmitted and confirmation of receipt obtained; (c) if mailed by certified mail, postage prepaid, to the last known address of each party, three business days after mailing; or (d) if delivered to a nationally recognized overnight courier service, one business day after delivery.
17. **JURISDICTION AND VENUE.** THE AGREEMENT SHALL BE GOVERNED BY, CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, AND ENFORCEABLE UNDER, THE LAWS OF THE STATE IN WHICH CLIENT EXISTS APPLICABLE TO CONTRACTS MADE IN SUCH STATE AND THAT ARE TO BE WHOLLY PERFORMED IN SUCH STATE WITHOUT REFERENCE TO THE CHOICE-OF-LAW PRINCIPLES OF SUCH STATE. THE PARTIES IRREVOCABLY AGREE THAT ALL ACTIONS OR PROCEEDINGS IN ANY WAY, MANNER OR RESPECT ARISING OUT OF OR FROM OR RELATED TO THE AGREEMENT SHALL BE LITIGATED ONLY IN COURTS LOCATED WITHIN THE STATE IN WHICH CLIENT EXISTS. THE PARTIES HEREBY CONSENT AND SUBMIT TO THE EXCLUSIVE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN SAID STATE. THE PARTIES HEREBY WAIVE ANY RIGHTS THEY MAY HAVE TO TRANSFER OR CHANGE VENUE OF ANY SUCH ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT. THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY ON ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THE AGREEMENT, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.
18. **Attorneys' Fees.** The prevailing party in any proceeding in connection with the Agreement shall be entitled to recover from the non-prevailing party all costs and expenses, including without limitation, reasonable attorneys' and paralegals' fees and costs incurred by such party in connection with any such proceeding.
19. **Entire Agreement.** The Agreement sets out the entire agreement between the parties relative to the subject matter hereof and supersedes all prior or contemporaneous agreements or representations, oral or written.
20. **Amendment.** The Agreement may not be altered or modified, except by written amendment which expressly refers to the Agreement and which is duly executed by authorized representatives of both parties. The waiver or failure by either party to exercise or enforce any right provided for in the Agreement shall not be deemed a waiver of any further right under the Agreement. Any provision of the Agreement held to be invalid under applicable law shall not render the Agreement invalid as a whole, and in such an event, such provision shall be interpreted so as to best accomplish the intent of the parties within the limits of applicable law. The Agreement may be executed by facsimile and in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.
21. **Expiration.** The rights and obligations contained in these Terms and Conditions shall survive any expiration or termination of the Agreement.

Exhibit B

Maintenance Schedule and Minimum Service Levels

1. **Uptime and Maintenance.**

The Solution shall be available 24 hours per day during the term of this Agreement. The Solution shall be fully functional, timely and accessible by Client at least 99.5% of the time or better and Brycer shall use reasonable efforts to provide Client with advance notice of any unscheduled downtime.

2. **Response Time.**

Brycer shall respond to telephone calls from Client within two hours of the call and/or message and all emails from Client within two hours of the receipt of the email.

3. **Customer Support**

Customer support hours are 24/7/365. The toll free number is 1-855-279-2371

Brycer will assign client a dedicated customer representative with direct access to their email and work number.