



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Agenda

City Council Regular Meeting

City Council Chambers | 50 Natoma Street, Folsom CA 95630

June 09, 2020

6:30 PM

Welcome to Your City Council Meeting

We welcome your interest and involvement in the city’s legislative process. This agenda includes information about topics coming before the City Council and the action recommended by city staff. You can read about each topic in the staff reports, which are available on the city website and in the Office of the City Clerk. The City Clerk is also available to answer any questions you have about City Council meeting procedures.

Participation

If you would like to provide comments to the City Council, please:




- Fill out a blue speaker request form, located at the back table.
- Submit the form to the City Clerk before the item begins.
- When it’s your turn, the City Clerk will call your name and invite you to the podium.
- Speakers have three minutes, unless the presiding officer (usually the mayor) changes that time.

Reasonable Accommodations

In compliance with the Americans with Disabilities Act, if you are a person with a disability and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk’s Office at (916) 461-6035, (916) 355-7328 (fax) or cfreemantle@folsom.ca.us. Requests must be made as early as possible and at least two full business days before the start of the meeting.

How to Watch

The City of Folsom provides three ways to watch a City Council meeting:

In Person	Online	On TV
		
City Council meetings take place at City Hall, 50 Natoma Street	Watch the livestream and replay past meetings on the city website, www.folsom.ca.us	Watch live and replays of meetings on Sac Metro Cable TV, Channel 14

More information about City Council meetings is available at the end of this agenda



City Council Regular Meeting

Folsom City Council Chambers
50 Natoma Street, Folsom, CA
www.folsom.ca.us

Tuesday, June 09, 2020 6:30 PM

Sarah Aquino, Mayor

Ernie Sheldon, Vice Mayor
Kerri Howell, Council Member

Roger Gaylord, Council Member
Mike Kozlowski, Council Member

REGULAR CITY COUNCIL AGENDA

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Folsom City Council and staff may participate in this meeting via teleconference.

Due to the coronavirus (COVID-19) public health emergency, the City of Folsom is allowing for remote public input during City Council meetings. Members of the public are encouraged to participate by emailing comments to CityClerkDept@folsom.ca.us. Emailed comments must be received no later than thirty minutes before the meeting and will be read aloud at the meeting during the agenda item. Please make your comments brief. Written comments submitted and read into the public record must adhere to the principles of the three-minute speaking time permitted for in-person public comment at City Council meetings. Members of the public wishing to participate in this meeting via teleconference may email CityClerkDept@folsom.ca.us no later than thirty minutes before the meeting to obtain call-in information. Each meeting may have different call-in information. Verbal comments via teleconference must adhere to the principles of the three-minute speaking time permitted for in-person public comment at City Council meetings.

Members of the public may continue to participate in the meeting in person at Folsom City Hall, 50 Natoma Street, Folsom, CA while maintaining appropriate social distancing.

CALL TO ORDER

ROLL CALL:

Council Members: Kozlowski, Sheldon, Gaylord, Howell, Aquino

The City Council has adopted a policy that no new item will begin after 10:30 p.m. Therefore, if you are here for an item that has not been heard by 10:30 p.m., you may leave, as the item will be continued to a future Council Meeting.

PLEDGE OF ALLEGIANCE

AGENDA UPDATE

BUSINESS FROM THE FLOOR:

Members of the public are entitled to address the City Council concerning any item within the Folsom City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda.

CONSENT CALENDAR:

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. City Council Members may pull an item for discussion.

- [1.](#) Approval of the May 26, 2020 Regular Meeting Minutes
- [2.](#) Ordinance No. 1305 - An Uncodified Ordinance Levying Special Taxes for the Fiscal Year 2020-21 and Following Fiscal Years Solely Within and Relating to the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (*Second Reading and Adoption*)
- [3.](#) Resolution No. 10431 - A Resolution Authorizing the City Manager to Purchase a 3.03 Acre Parcel (A.P.N. 071-0690-006) in the City of Folsom Made Available Through a Sacramento County Chapter 8 Auction Process
- [4.](#) Resolution No. 10460 - A Resolution Authorizing the City Manager to Execute an Agreement with Tesco Controls for Consulting Services for the Supervisory Control and Data Acquisition (SCADA) System Upgrade and Maintenance Services for Water and Sewer
- [5.](#) Resolution No. 10461 - A Resolution Supporting Proposed Modifications to State Transportation Fund Allocation Framework Administered by the Sacramento Area Council of Governments
- [6.](#) Resolution No. 10462- A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding with the County of Sacramento for Commercial and Industrial Stormwater Inspections and Enforcement Within Folsom to Comply with the City's National Pollutant Discharge Elimination System (NPDES) Permit
- [7.](#) Resolution No. 10463– A Resolution Authorizing the City Manager to Execute an Agreement with Sacramento Housing and Redevelopment Agency for Continued Participation in the Community Development Block Program from January 1, 2021 to December 31, 2023
- [8.](#) Resolution No. 10464 - A Resolution Authorizing the City Manager to Seek Grant Funds from the United States Bureau of Reclamation for a WaterSMART Drought Response Program Drought Resiliency Project
- [9.](#) Resolution No. 10466 - A Resolution Electing the Population and Inflation Factors and Establishing the Fiscal Year 2020-21 Appropriations Limit
- [10.](#) Resolution No. 10467 – A Resolution Approving an Additional Appropriation in FY 2020-21 to be used for Park Renovation
- [11.](#) Resolution No. 10468 - A Resolution Approving an Acquisition and Shortfall Agreement for the Community Facilities District No. 23 Improvement Area No. 1 (Mangini Ranch Phase 2)
- [12.](#) Resolution No. 10469 – A Resolution Authorizing the City Manager to Execute a Communications Site License Agreement with CCTM1, LLC for Mann Park
- [13.](#) Resolution No. 10471 – A Resolution Approving the Folsom Tree Care and Maintenance Standards and Folsom Master Tree List

14. Receive and File the City of Folsom, the Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the Folsom Ranch Financing Authority, and the South of 50 Parking Authority Monthly Investment Reports for the Month of March 2020

NEW BUSINESS:

15. Resolution No. 10465 - A Resolution Approving and Certifying Addendum No. 2 to the Environmental Impact Report for the Folsom South of U.S. 50 Specific Plan Project (State Clearinghouse # 2008092051) and Approving Transfer of up to 5,000 Acre-Feet of Water to State Water Contractors
16. Resolution No. 10470 – A Resolution of the City Council Authorizing Deferral of Certain Development Impact Fees for the Parkway Apartment Project

CITY MANAGER REPORTS:

COUNCIL COMMENTS:

ADJOURNMENT

***NOTICE:** Members of the public are entitled to directly address the City Council concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address Council on an issue, which is on this agenda, please complete a blue speaker request card, and deliver it to a staff member at the table on the left side of the Council Chambers prior to discussion of the item. When your name is called, stand to be recognized by the Mayor and then proceed to the podium. If you wish to address the City Council on any other item of interest to the public, when the Mayor asks if there is any "Business from the Floor," follow the same procedure described above. Please limit your comments to three minutes or less.*

***NOTICE REGARDING CHALLENGES TO DECISIONS:** Pursuant to all applicable laws and regulations, including without limitation, California Government Code Section 65009 and or California Public Resources Code Section 21177, if you wish to challenge in court any of the above decisions (regarding planning, zoning and/or environmental decisions), you may be limited to raising only those issues you or someone else raised at the public hearing(s) described in this notice/agenda, or in written correspondence delivered to the City at, or prior to, the public hearing.*

As presiding officer, the Mayor has the authority to preserve order at all City Council meetings, to remove or cause the removal of any person from any such meeting for disorderly conduct, or for making personal, impertinent, or slanderous remarks, using profanity, or becoming boisterous, threatening or personally abusive while addressing said Council, and to enforce the rules of the Council.

PERSONS INTERESTED IN PROPOSING AN ITEM FOR THE CITY COUNCIL AGENDA SHOULD CONTACT A MEMBER OF THE CITY COUNCIL.

The meeting of the Folsom City Council is being telecast on Metro Cable TV, Channel 14, the Government Affairs Channel, and will be shown in its entirety on the Friday and Saturday following the meeting, both at 9 a.m. The City does not control scheduling of this telecast and persons interested in watching the televised meeting should confirm this schedule with Metro Cable TV, Channel 14. The City of Folsom provides live and archived webcasts of regular City Council meetings. The webcasts can be found on the online services page of the City's website www.folsom.ca.us.

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City Council Regular Meeting

MINUTES

Tuesday, May 26, 2020 6:30 PM

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Folsom City Council and staff may participate in this meeting via teleconference.

CALL TO ORDER

The regular City Council meeting was called to order at 6:30 p.m. in City Council Chambers, 50 Natoma Street, Folsom, California, with Mayor Sarah Aquino presiding.

ROLL CALL:

Council Members Present: Kerri Howell, Council Member
Mike Kozlowski, Council Member
Ernie Sheldon, Vice Mayor
Roger Gaylord, Council Member
Sarah Aquino, Mayor

Council Members Absent: None

Participating Staff: City Manager Elaine Andersen
City Attorney Steve Wang
City Clerk Christa Freemantle
Finance Director Stacey Tamagni
Parks and Recreation Director Lorraine Poggione
Fire Chief Felipe Rodriguez
Principal Planner Steve Banks

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA UPDATE

City Clerk Christa Freemantle advised that there were no updates to the agenda

BUSINESS FROM THE FLOOR:

None

SCHEDULED PRESENTATIONS:

1. City Manager's Financial Report for Fiscal Year 2019-20 Third Quarter Financial Report

Finance Director Stacey Tamagni made a presentation and responded to questions from the City Council.

CONSENT CALENDAR:

2. Approval of the May 12, 2020 Special and Regular Meeting Minutes
3. Resolution No. 10454 – A Resolution Authorizing the City Manager to Execute Amendment No. 3 to the Agreement (Contract No. 173-21 16-035) with Murraysmith Inc. for Design and Construction Administration Services for the Misc. Water System Rehabilitation Project No. 1 and Folsom Zoo Sewer Line Project and Appropriation of Funds
4. Resolution No. 10455 - A Resolution Authorizing the City Manager to Execute a Construction Agreement with Sierra National Construction, Inc. for the Prairie City at Blue Ravine Lane Modification Project, Project No. PW2002
5. Resolution No. 10457– A Resolution Authorizing the City Manager to Approve Amendment No. 2 to the Contract with Aquatic Design Group for Additional Design Services for the Steve Miklos Aquatic Center Renovation Project (Contract No. 173-21 17-063) and Appropriation of Funds

Motion by Council Member Kerri Howell, second by Council Member Mike Kozlowski, to approve the Consent Calendar. Motion carried with the following roll call vote:

AYES: Council Member(s): Howell, Kozlowski, Sheldon, Gaylord, Aquino
NOES: Council Member(s): None
ABSENT: Council Member(s): None
ABSTAIN: Council Member(s): None

NEW BUSINESS:

6. Resolution No. 10459 - A Resolution Authorizing the Automatic Extension of Zoning Related Entitlements and Grading Permits for One Year

City Manager Elaine Andersen made a presentation and responded to questions from the City Council.

Motion by Council Member Mike Kozlowski, second by Council Member Kerri Howell to approve Resolution No. 10459. Motion carried with the following roll call vote:

AYES: Council Member(s): Howell, Kozlowski, Sheldon, Gaylord, Aquino
NOES: Council Member(s): None
ABSENT: Council Member(s): None
ABSTAIN: Council Member(s): None

PUBLIC HEARING:

7. Community Facilities District No. 23 (Folsom Ranch)
 - a. Resolution No. 10435 – A Resolution of the City Council of the City of Folsom to Form a Community Facilities District, to Designate Improvement Areas Within the District and to Levy Special Taxes Therein
 - b. Resolution No. 10436 - A Resolution of the City of Folsom Deeming it Necessary to Incur Bonded Indebtedness Within Improvement Area No.1 of City of Folsom Community Facilities District No. 23 (Folsom Ranch)
 - c. Resolution No. 10437 - A Resolution of the City of Folsom Deeming it Necessary to Incur Bonded Indebtedness Within Improvement Area No.2 of City of Folsom Community Facilities District No. 23 (Folsom Ranch)
 - d. Resolution No. 10438 - A Resolution of the City of Folsom Deeming it Necessary to Incur Bonded Indebtedness Within Improvement Area No.3 of City of Folsom Community Facilities District No. 23 (Folsom Ranch)
 - e. Resolution No. 10439 - A Resolution of the City of Folsom Deeming it Necessary to Incur Bonded Indebtedness Within Improvement Area No.4 of City of Folsom Community Facilities District No. 23 (Folsom Ranch)
 - f. Resolution No. 10440- A Resolution of the City of Folsom Deeming it Necessary to Incur Bonded Indebtedness Within Improvement Area No.5 of City of Folsom Community Facilities District No. 23 (Folsom Ranch)
 - g. Resolution No. 10441 - A Resolution of the City of Folsom Deeming it Necessary to Incur Bonded Indebtedness Within Improvement Area No.6 of City of Folsom Community Facilities District No. 23 (Folsom Ranch)
 - h. Resolution No. 10442– A Resolution of the City Council of the City of Folsom Calling Special Mailed-Ballot Election in the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No.1
 - i. Resolution No. 10443– A Resolution of the City Council of the City of Folsom Calling Special Mailed-Ballot Election in the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No.2
 - j. Resolution No.10444 – A Resolution of the City Council of the City of Folsom Calling Special Mailed-Ballot Election in the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No.3
 - k. Resolution No. 10445 – A Resolution of the City Council of the City of Folsom Calling Special Mailed-Ballot Election in the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No.4
 - l. Resolution No. 10446 – A Resolution of the City Council of the City of Folsom Calling Special Mailed-Ballot Election in the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No.5

- m. Resolution No. 10447 – A Resolution of the City Council of the City of Folsom Calling Special Mailed-Ballot Election in the City of Folsom Community Facilities District No.23 (Folsom Ranch) Improvement Area No.6
- n. Resolution No. 10448 – A Resolution of the City Council of the City of Folsom Declaring Election Results in the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 1
- o. Resolution No. 10449 – A Resolution of the City Council of the City of Folsom Declaring Election Results in the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 2
- p. Resolution No. 10450 – A Resolution of the City Council of the City of Folsom Declaring Election Results in the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 3
- q. Resolution No. 10451 – A Resolution of the City Council of the City of Folsom Declaring Election Results in the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4
- r. Resolution No. 10452 – A Resolution of the City Council of the City of Folsom Declaring Election Results in the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 5
- s. Resolution No. 10453 – A Resolution of the City Council of the City of Folsom Declaring Election Results in the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 6
- t. Ordinance No. 10305 - An Uncodified Ordinance Levying Special Taxes for the Fiscal Year 2020-21 and Following Fiscal Years Solely Within and Relating to the City of Folsom Community Facilities District No. 23 (Folsom Ranch) *(Introduction and First Reading)*

City Clerk Christa Freemantle advised that the ordinance number should be corrected to Ordinance No. 1305 rather than Ordinance No. 10305.

Finance Director Stacey Tamagni made a presentation and responded to questions from the City Council.

Mayor Sarah Aquino opened the public hearing, with City Clerk Christa Freemantle affirming that notice of the public hearing was published as required by the Mello-Roos Community Facilities Act.

Hearing no speakers, the public hearing was closed.

City Clerk Christa Freemantle confirmed that a majority protest did not exist.

Motion by Mike Kozlowski, second by Council Member Kerri Howell, to approve Resolution No. 10435. Motion carried with the following roll call vote:

AYES: Council Member(s): Howell, Kozlowski, Sheldon, Gaylord, Aquino
NOES: Council Member(s): None
ABSENT: Council Member(s): None

ABSTAIN: Council Member(s): None

Motion by Council Member Kerri Howell, second by Council Member Mike Kozlowski to approve Resolution No's 10436 through 10441. Motion carried with the following roll call vote:

AYES: Council Member(s): Howell, Kozlowski, Sheldon, Gaylord, Aquino
NOES: Council Member(s): None
ABSENT: Council Member(s): None
ABSTAIN: Council Member(s): None

Motion by Council Member Kerri Howell, second by Council Member Mike Kozlowski to approve Resolution No's 10442 through 10447. Motion carried with the following roll call vote:

AYES: Council Member(s): Howell, Kozlowski, Sheldon, Gaylord, Aquino
NOES: Council Member(s): None
ABSENT: Council Member(s): None
ABSTAIN: Council Member(s): None

Mayor Sarah Aquino opened the elections for the incurring of bonded indebtedness, the levy of the applicable special tax, and the establishment of the appropriations limit for each Improvement Area and directed the City Clerk to conduct the elections. City Clerk Christa Freemantle confirmed that all ballots in the elections have been submitted and declared the elections closed. Following completion of the canvass, it was announced that for each Improvement Area, all eligible votes were cast in support of the applicable measure and zero votes were cast in opposition to such measure. Therefore, for each Improvement Area, the applicable measure was approved with a 100% vote in favor.

Motion by Council Member Kerri Howell, second by Mayor Sarah Aquino to approve Resolution No's 10448 through 10453. Motion carried with the following roll call vote:

AYES: Council Member(s): Howell, Kozlowski, Sheldon, Gaylord, Aquino
NOES: Council Member(s): None
ABSENT: Council Member(s): None
ABSTAIN: Council Member(s): None

Motion by Council Member Kerri Howell, second by Council Member Mike Kozlowski to introduce Ordinance No. 1305. Motion carried with the following roll call vote:

AYES: Council Member(s): Howell, Kozlowski, Sheldon, Gaylord, Aquino
NOES: Council Member(s): None
ABSENT: Council Member(s): None
ABSTAIN: Council Member(s): None

8. Resolution No. 10458 - A Resolution Determining that the Creekstone Phase 1 Subdivision Project is Exempt from CEQA and Approving a Small-Lot Vesting Tentative Subdivision Map, Planned Development Permit, and the Inclusionary Housing Plan for the Creekstone Phase 1 Subdivision Project

Principal Planner Steve Banks made a presentation and responded to questions from the City Council. In response to Council Member questions, Fire Chief Felipe Rodriquez addressed the issue of street names.

Mayor Sarah Aquino opened the public hearing. Hearing no speakers, the public hearing was closed.

Motion by Council Member Kerri Howell, second by Council Member Mike Kozlowski to approve Resolution No. 10458. Motion carried with the following roll call vote:

AYES: Council Member(s): Howell, Kozlowski, Sheldon, Gaylord, Aquino
NOES: Council Member(s): None
ABSENT: Council Member(s): None
ABSTAIN: Council Member(s): None

9. Resolution No. 10456 - A Resolution Adopting the City Manager's Fiscal Year 2020-21 Operating and Capital Budgets for the City of Folsom, the Successor Agency, the Folsom Public Financing Authority and the Folsom Ranch Public Financing Authority

Finance Director Stacey Tamagni made a presentation and responded to questions from the City Council. Parks and Recreation Director Lorraine Poggione and Fire Chief Felipe Rodriquez provided additional information. City Manager Elaine Andersen and City Attorney Steve Wang also provided additional information.

The City Council Member discussed the proposed budget.

Mayor Sarah Aquino opened the public hearing. Hearing no speakers, the public hearing was closed.

The City Council Member further discussed the proposed budget.

Motion by Council Member Kerri Howell, second by Council Member Mike Kozlowski to approve Resolution No. 10456. The City Council further directed that \$0.5M of Quimby Fees be appropriated for renovating existing parks as prioritized by the Parks and Recreation Commission. Motion carried with the following roll call vote:

AYES: Council Member(s): Howell, Kozlowski, Sheldon, Gaylord, Aquino
NOES: Council Member(s): None
ABSENT: Council Member(s): None
ABSTAIN: Council Member(s): None

CITY MANAGER REPORTS:

City Manager Elaine Andersen spoke of the recently updated public health order, reopening of City facilities and warned residents about scams.

COUNCIL COMMENTS:

Council Member Mike Kozlowski spoke of recent SACOG meeting. He also spoke about the recent distribution of facemasks at the library, and complimented Library Director Lori Easterwood for all of her great work and library programs.

Council Member Kerri Howell also complimented the library's services, including online books. She encouraged everyone to drive carefully and thanked staff for their work.

Vice Mayor Ernie Sheldon spoke of upcoming fireworks.

Mayor Sarah Aquino congratulated recent high school graduates.

ADJOURNMENT

There being no further business to come before the Folsom City Council, the meeting was adjourned at 8:48 p.m.

PREPARED AND SUBMITTED BY:

Christa Freemantle, City Clerk

ATTEST:

Sarah Aquino, Mayor

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Folsom City Council Staff Report



MEETING DATE:	6/9/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Ordinance No. 1305 – An Uncodified Ordinance Levying Special Taxes for the Fiscal Year 2020-21 and Following Fiscal Years Solely within and Relating to the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (Second Reading and Adoption)
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

It is recommended that the City Council conduct the second reading and move to adopt the following ordinance:

Ordinance No. 1305 – An Uncodified Ordinance Levying Special Taxes for the Fiscal Year 2020-21 and Following Fiscal Years Solely within and Relating to the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (Second Reading and Adoption)

BACKGROUND / ISSUE

The Folsom Plan Area Specific Plan Public Facilities Financing Plan (“PFFP”), approved by the City Council on January 28, 2014 via Resolution 9298, is an \$877 million plan that describes the backbone infrastructure and facility requirements, presents a comprehensive financing strategy, and sets forth the estimated time horizon for the development of the Folsom Plan Area (“FPA”).

Landowners within the FPA requested to form the proposed City of Folsom Community Facilities District No. 23 (Folsom Ranch) (“CFD No. 23”), and designate six separate Improvement Areas (each an “IA”) therein (designated as Improvement Area No. 1 through Improvement Area No. 6). Special tax revenues generated from each IA within CFD No. 23 will help fund all or a portion of the project’s share of PFFP backbone infrastructure and

facilities, including related environmental mitigation obligations. A detailed list of authorized facilities can be found under Appendix A of Resolution No. 10414, approved by this City Council on April 14, 2020. A summary of the facilities authorized to be funded by CFD No. 23 include, but are not limited to:

- Transportation Improvements including all public roadway improvements designed to meet the needs of development within CFD No. 23, including internal subdivision streets and related underground utilities
- Water System Improvements
- Recycled Water System Improvements
- Drainage System Improvements
- Wastewater System Improvements
- Park, Parkway and Open Space Improvements
- Specific Plan Infrastructure Fee Improvements
- Payment of Specific Plan Infrastructure Fee Program Obligation
- Other Incidental Expenses and Bond Issuance Costs

In addition, the following project-specific services are anticipated to be funded by CFD No. 23 special taxes.

- Enhanced open space maintenance
- Landscape corridors and paseos
- Street light maintenance
- Medians, entries and entry monumentation
- Neighborhood park maintenance
- Community amenities
- Storm water management
- Other miscellaneous costs related to any of the items described above
- Anticipated future repairs or replacements costs

The proposed CFD No. 23 is located within the FPA and is generally bounded by U.S. Highway 50 on the north, Placerville Road on the east, and White Rock Road on the south. Each IA within CFD No. 23 includes several Assessor's Parcel Numbers, which are identified in the CFD No. 23 boundary map, which is included in the CFD Public Hearing Report. The proposed development plan for each IA within CFD No. 23 includes the following:

IA	SF Units	SF High-Density Units	MF Low-Density Units	MF Medium Density Acreage	MF High Density Acreage	Non-Residential Acreage
IA1	0	441	257	0.0	9.8	0.0
IA2	0	0	340	0.0	0.0	5.1
IA3	0	1,068	157	0.0	0.0	0.0
IA4	100	266	251	0.0	0.0	0.0
IA5	84	194	401	9.7	17.8	23.5
IA6	0	0	0	9.5	9.3	11.4

The CFD No. 23 funding stream will be a combination of bonded indebtedness and pay-as-you-go (“PAYGO”) funding, both secured by the levy of special taxes upon property within the boundaries of CFD No. 23.

On April 14, 2020, this City Council appointed consultants, approved a proposed boundary map and declared the intention to form CFD No. 23 and to levy special taxes within CFD No. 23 by passage of Resolution No. 10414. On that same date, this City Council declared the necessity for incurring bonded indebtedness in and for CFD No. 23 and in and for each IA designated therein by passage of Resolution No. 10415.

A Public Hearing and landowner election were conducted on May 26, 2020. At that time, the following resolutions were approved by the Council:

- Resolution No. 10435, the Resolution of Formation, which formed CFD No. 23, designated six separate IA’s, and authorized the levying of taxes therein
- Resolution Nos. 10436-10441, which deemed it necessary to incur bonded indebtedness within the six respective IA’s within CFD No. 23
- Resolution Nos. 10442-10447, which called for a special mailed-ballot election within each respective IA
- Resolution Nos. 10448-10453, which declared the results of the elections within each respective IA

The results of the landowner elections were as follows:

Improvement Area No. 1: 111 in favor of the ballot measure and zero opposed
 Improvement Area No. 2: 50 in favor of the ballot measure and zero opposed
 Improvement Area No. 3: 299 in favor of the ballot measure and zero opposed
 Improvement Area No. 4: 167 in favor of the ballot measure and zero opposed
 Improvement Area No. 5: 361 in favor of the ballot measure and zero opposed
 Improvement Area No. 6: 22 in favor of the ballot measure and zero opposed

POLICY / RULE

Chapter 5 of the Folsom Plan Area Public Facilities Financing Plan authorizes the formation of community facilities districts (each a “CFD”) to finance the construction, acquisition, and servicing of FPA backbone infrastructure and public facilities

Section 2.5.3 of the First Amended and Restated Tier 1 Development Agreement authorizes the formation of infrastructure CFDs.

Resolution No. 9282 – A Resolution of the City Council of the City of Folsom Approving Goals and Policies for Community Facilities Districts

Mello-Roos Community Facilities Act of 1982

ANALYSIS

CFD No. 23 will be structured as an extended-term CFD and will provide the necessary funding to help fund all or a portion of the project's share of PFFP backbone infrastructure and facilities, including related environmental mitigation obligations. The PFFP backbone infrastructure and facilities will be financed using both bond proceeds and PAYGO special tax revenues. The extended-term CFD structure is proposed to help meet the challenge of high-cost infrastructure and facilities while also aligning the timing of future funding availability with the need for such funding.

The PFFP backbone facilities to be funded via CFD No. 23, and listed above, were originally anticipated to be funded by either Community Facilities District No. 18 (Folsom Plan Area - Area-Wide Improvements and Services) or funded as part of project specific CFDs established for each development within the FPA.

The special tax revenue generated from taxable parcels within each IA of CFD No. 23 will be comprised of a special tax to fund facilities and a special tax to fund services. The 2020/21 maximum facilities special tax rates, set forth in each IA's Rate and Method of Apportionment, for each land use category are provided in the table below:

Land Use Category	Residential Floor Area (square footage)	2020/21 Maximum Facilities Special Tax Rate (All IAs)	Per
Single-Family Detached Property - SF/SFHD Zoning	≥ 3,600	\$3,886	Unit
Single-Family Detached Property - SF/SFHD Zoning	3,200 - 3,599	3,571	Unit
Single-Family Detached Property - SF/SFHD Zoning	2,800 - 3,199	3,559	Unit
Single-Family Detached Property - SF/SFHD Zoning	2,400 - 2,799	3,293	Unit
Single-Family Detached Property - SF/SFHD Zoning	2,000 - 2,399	3,000	Unit
Single-Family Detached Property - SF/SFHD Zoning	< 2,000	2,900	Unit
Single-Family Detached Property - MLD Zoning	≥ 3,600	3,886	Unit
Single-Family Detached Property - MLD Zoning	3,200 - 3,599	3,571	Unit
Single-Family Detached Property - MLD Zoning	2,800 - 3,199	3,559	Unit
Single-Family Detached Property - MLD Zoning	2,400 - 2,799	3,293	Unit
Single-Family Detached Property - MLD Zoning	2,000 - 2,399	3,000	Unit
Single-Family Detached Property - MLD Zoning	< 2,000	2,900	Unit
MMD Multi-Family Attached Property	N/A	30,000	Acre
MHD Multi-Family Attached Property	N/A	11,700	Acre
Non-Residential Property	N/A	11,700	Acre

The special tax for the authorized facilities within any IA shall not be levied after the earlier of (i) Fiscal Year 2079/80 or (ii) the fiscal year occurring 50 years following (a) the fiscal year in which the first building permit was issued or (b) the first series of bonds or other debt issued for the respective IA. Each fiscal year, commencing with 2021/22, the maximum facilities special tax rate will be increased by 2% annually.

The 2020/21 maximum services special tax rates, set forth in each IA's Rate and Method of Apportionment, for each land use category are provided in the table below:

Land Use Category	IA1	IA2	IA3*	IA4	IA5	IA6	Per
Single-Family Detached Property - SF/SFHD Zoning	\$210	\$200	\$175	\$205	\$165	\$175	Unit
Single-Family Detached Property - MLD Zoning	156	103	125	140	85	85	Unit
MMD Multi-Family Attached Property	500	500	500	500	500	300	Acre
MHD Multi-Family Attached Property	1,000	1,000	1,000	1,000	1,000	300	Acre
Non-Residential Property	1,000	1,000	1,000	1,000	1,000	0	Acre

* For Active Adult Property the maximum services special tax rate for SF/SFHD Zoning property is \$100 per unit and MLD zoning property is \$40 per unit.

The CFD No. 23 services special tax can be levied and collected in perpetuity. Each fiscal year, commencing with 2021/22, the maximum services special tax rate will be increased by the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed 4%.

As described above, CFD No. 23 will include an extended-term in order to provide the financing to fund CFD No. 23 authorized facilities through multiple CFD bond issues and the generation of PAYGO special tax revenue from the levy and collection of the special taxes. The primary pledge of CFD No. 23 special tax revenues will be to service outstanding CFD No. 23 debt. Special tax revenues in excess of the annual debt service and administrative expenses will be used on a PAYGO basis. 100% of the PAYGO revenue is intended to be available to the landowners to fund eligible facilities for the first 20 years, beginning the Fiscal Year following the earlier of the first building permit being issued or the first series of bonds or other debt issued for the respective IA. After that, any PAYGO revenues may be used at the City's discretion to continue to fund or acquire eligible facilities, or the City may elect to reduce the special tax levy amount to eliminate PAYGO revenues.

Ordinance No. 1305 authorizes the applicable special tax to be levied within each IA for FY 2020/21 and following fiscal years. The Ordinance was introduced for the first reading on May 26, 2020. No changes have been made to the ordinance since the first reading.

FINANCIAL IMPACT

There is no direct General Fund impact on the City of Folsom. The CFD No. 23 formation, bonded indebtedness, and expenses are solely the responsibility of CFD No. 23.

ENVIRONMENTAL REVIEW

An Initial Study and Mitigated Negative Declaration prepared for the Folsom Plan Area Backbone Infrastructure Project were previously prepared for, and adopted by the City Council on February 24, 2015, in accordance with the requirements of the California Environmental Quality Act. Pursuant to CEQA Guidelines section 15378(c), the term “project” does not mean each separate governmental approval for an approved activity which may be subject to several discretionary approvals by governmental agencies. Additionally, the creation of government funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment is not defined as a “project” under CEQA. CEQA Guidelines Section 15378(b)(4) and 15061(b)(3).

ATTACHMENTS

1. Ordinance No. 1305 – An Uncodified Ordinance Levying Special Taxes for the Fiscal Year 2020-21 and Following Fiscal Years Solely within and Relating to the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (Second Reading and Adoption)

Submitted,



Stacey Tamagni
Finance Director

ORDINANCE NO. 1305

**AN UNCODIFIED ORDINANCE LEVYING SPECIAL TAXES
FOR THE FISCAL YEAR 2020-21 AND FOLLOWING FISCAL YEARS
SOLELY WITHIN AND RELATING TO THE CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH)**

The City Council of the City of Folsom hereby ordains as follows:

SECTION 1 PURPOSE

The City Council of the City of Folsom hereby finds, determines and declares based on the record before it that:

1. The City is authorized to establish a community facilities district pursuant to the terms of the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Division 2 of Title 5 of the California Government Code, commencing with Section 53311 (the "Act"); and
2. Pursuant to Section 53350 of the Act, the City is authorized to designate improvement areas within the community facilities district; and
3. On May 26, 2020, the City Council adopted its Resolution No. 10435 (the "Resolution of Formation") establishing the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "District") and designating Improvement Area No. 1, Improvement Area No. 2, Improvement Area No. 3, Improvement Area No. 4, Improvement Area No. 5 and Improvement Area No. 6 (each an "Improvement Area") therein pursuant to the Act; and
4. In accordance with the Rate and Method of Apportionment of Special Tax relating to each Improvement Area, the Resolution of Formation approved the annual levy, subject to voter approval, of a special tax in connection with each Improvement Area (each a "Special Tax"); and
5. The Resolution of Formation proposed the establishment of an appropriations limit for each Improvement Area (each an "Appropriations Limit"); and
6. On May 26, 2020, the City Clerk, as elections official, conducted an election of the landowners of each Improvement Area (each an "Election"); and
7. On May 26, 2020, the City Council adopted its Resolution No. 10448 certifying that, at the Election, the landowners of the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 1 ("Improvement Area No. 1") approved the Special Tax and the Appropriations Limit relating to Improvement Area No. 1; and
8. On May 26, 2020, the City Council adopted its Resolution No. 10449 certifying that, at the Election, the landowners of the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 2 ("Improvement Area No. 2") approved the Special Tax and the Appropriations Limit relating to Improvement Area No. 2; and

9. On May 26, 2020, the City Council adopted its Resolution No. 10450 certifying that, at the Election, the landowners of the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 3 (“Improvement Area No. 3”) approved the Special Tax and the Appropriations Limit relating to Improvement Area No. 3; and
10. On May 26, 2020, the City Council adopted its Resolution No. 10451 certifying that, at the Election, the landowners of the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 (“Improvement Area No. 4”) approved the Special Tax and the Appropriations Limit relating to Improvement Area No. 4; and
11. On May 26, 2020, the City Council adopted its Resolution No. 10452 certifying that, at the Election, the landowners of the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 5 (“Improvement Area No. 5”) approved the Special Tax and the Appropriations Limit relating to Improvement Area No. 5; and
12. On May 26, 2020, the City Council adopted its Resolution No. 10453 certifying that, at the Election, the landowners of the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 6 (“Improvement Area No. 6” and, together with Improvement Area No. 1, Improvement Area No. 2, Improvement Area No. 3, Improvement Area No. 4 and Improvement Area No. 5, each an “Improvement Area”) approved the Special Tax and the Appropriations Limit relating to Improvement Area No. 6; and
13. The City Council desires to levy and impose the Special Tax and to take other related actions.

SECTION 2

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FOLSOM RESOLVES:

1. The recitals set forth in Section 1 are true and correct.
2. A special tax is hereby levied on all Taxable Property (as defined in Exhibit D-1 of the Resolution of Formation) within Improvement Area No. 1 for the 2020-21 fiscal year and for all subsequent fiscal years in the amount of the maximum authorized tax, provided that this amount may be adjusted annually, subject to the maximum authorized special tax limit, by resolution of the City Council.
3. A special tax is hereby levied on all Taxable Property (as defined in Exhibit D-2 of the Resolution of Formation) within Improvement Area No. 2 for the 2020-21 fiscal year and for all subsequent fiscal years in the amount of the maximum authorized tax, provided that this amount may be adjusted annually, subject to the maximum authorized special tax limit, by resolution of the City Council.
4. A special tax is hereby levied on all Taxable Property (as defined in Exhibit D-3 of the Resolution of Formation) within Improvement Area No. 3 for the 2020-21 fiscal year and for all subsequent fiscal years in the amount of the maximum authorized tax, provided that

- this amount may be adjusted annually, subject to the maximum authorized special tax limit, by resolution of the City Council.
5. A special tax is hereby levied on all Taxable Property (as defined in Exhibit D-4 of the Resolution of Formation) within Improvement Area No. 4 for the 2020-21 fiscal year and for all subsequent fiscal years in the amount of the maximum authorized tax, provided that this amount may be adjusted annually, subject to the maximum authorized special tax limit, by resolution of the City Council.
 6. A special tax is hereby levied on all Taxable Property (as defined in Exhibit D-5 of the Resolution of Formation) within Improvement Area No. 5 for the 2020-21 fiscal year and for all subsequent fiscal years in the amount of the maximum authorized tax, provided that this amount may be adjusted annually, subject to the maximum authorized special tax limit, by resolution of the City Council.
 7. A special tax is hereby levied on all Taxable Property (as defined in Exhibit D-6 of the Resolution of Formation) within Improvement Area No. 6 for the 2020-21 fiscal year and for all subsequent fiscal years in the amount of the maximum authorized tax, provided that this amount may be adjusted annually, subject to the maximum authorized special tax limit, by resolution of the City Council.
 8. The Finance Director of the City of Folsom or designee thereof (the “CFD Administrator”) is authorized and directed, to determine each year, without further action of the City Council, each Special Tax, to prepare the annual Special Tax roll in the amount of each Special Tax in accordance with the related exhibit and, without further action of the City Council, to provide all necessary and appropriate information to the Sacramento County Auditor-Controller’s Office (the “County”) in proper form, and in proper time, necessary to effect the correct and timely billing and collection of each Special Tax on the secured property tax roll of the County; provided, that as provided in the Resolution of Formation and Section 53340 of the California Government Code, the City has reserved the right to utilize any method of collecting each Special Tax which it shall, from time to time, determine to be in the best interests of the City of Folsom (the “City”), including but not limited to, direct billing by the City to the property owners and supplemental billing.
 9. The appropriate officers and agents of the City are authorized to make adjustments to the Special Tax roll prior to the final posting of each Special Tax to the County tax roll each fiscal year, as may be necessary to achieve a correct match of each Special Tax levy with the assessor’s parcel numbers finally utilized by the County in sending out property tax bills.
 10. The City agrees that, in the event the Special Tax for an Improvement Area is collected on the secured tax roll of the County, the County may deduct its reasonable and agreed charges for collecting such Special Tax from the amounts collected, prior to remitting such Special Tax collections to the City.
 11. Taxpayers who have requested changes or corrections of the applicable Special Tax pursuant to Section I of the Rate and Method of Apportionment of the related Special Tax

and who are not satisfied with the decision of the CFD Administrator (whether the CFD Administrator disagrees with the taxpayer or concludes that the City is not authorized to consider the change requested), may appeal to the City Council. The appeal must be in writing, fully explain the grounds of appeal and must be based solely on the correction of mistakes in the levy based upon the status of the property, and no other appeals will be allowed. The CFD Administrator shall schedule the appeal for consideration within a reasonable time at a City Council meeting.

SECTION 3 SEVERABILITY

If for any cause any portion of this ordinance is found to be invalid, or if the applicable Special Tax is found inapplicable to any particular parcel by a court of competent jurisdiction, the balance of this ordinance, and the application of such Special Tax to the remaining parcels, shall not be affected.

SECTION 4 EFFECTIVE DATE

This ordinance shall take effect and be in force as a tax measure thirty (30) days following its second reading and adoption at a meeting of the City Council; and before the expiration of twenty (20) days after its passage the same shall be published, with the names of the members voting for and against the same, at least once in a newspaper of general circulation published and circulated in the District.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on May 26, 2020, and the second reading is to occur at the regular meeting of the City Council on June 9, 2020.

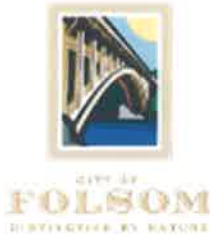
On a motion by Council Member _____ seconded by Council Member _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 9th day of June, 2020 by the following roll-call vote:

- AYES:** Council Member(s):
- NOES:** Council Member(s):
- ABSENT:** Council Member(s):
- ABSTAIN:** Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK



Folsom City Council Staff Report

MEETING DATE:	6/9/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10431 – A Resolution Authorizing the City Manager to Purchase a 3.03-Acre Parcel (A.P.N. 071-0690-006) in the City of Folsom Made Available Through a Sacramento County Chapter 8 Auction Process
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends the City Council Approve Resolution No. 10431 - A Resolution Authorizing the City Manager to Purchase a 3.03-Acre Parcel (A.P.N. 071-0690-006) in the City of Folsom made available through a Sacramento County Chapter 8 Auction Process.

BACKGROUND / ISSUE

This 3.03-acre parcel is located within the City of Folsom and identified by Sacramento County as A.P.N. 071-0690-006 (Attachment 2). The 2015 Parks and Recreation Master Plan identifies this parcel as part of the overall plans for development of Lembi Community Park (Attachment 3).

POLICY / RULE

California Government Code Section 37351 provides that: “The legislative body may purchase, lease, exchange, or receive such personal property and real estate situated inside or outside the city limits as is necessary or proper for municipal purposes. It may control, dispose of, and convey such property for the benefit of the city.”

ANALYSIS

This 3.03-acre parcel is bounded on all sides by City-owned property: Lembi Community Park, the Steve Miklos Aquatic Center, City of Folsom Fire Station #35, and City of Folsom

open space. It is vacant, wooded, landlocked and has no utilities on it. The Sacramento County designation for the site is recreational. The City's General Plan designation is Open Space and Zoning is Open Space Conservation.

The 2015 Parks and Recreation Master Plan identified this parcel as part of the overall plans to develop a .5-mile walking trail that would provide connectivity between Lembi Community Park and the Folsom Heights community to the south. It is the City's understanding that this parcel was always intended to be deeded to the City; however, that did not occur and had been sold via auction to a private party.

In January of 2020, the City received its annual list of "Notice of Proposed Public Auctions for Tax Defaulted Properties" within Sacramento County. Upon review of over 200 properties on the list, staff noticed that this particular parcel was included in the auction notice. On January 30, 2020, the City sent a request to Sacramento County of the City's interest to purchase the property. On January 28, 2020, the City Manager received approval from the City Council in closed session to proceed with the purchase.

The purchase price of the property is based on uncollected taxes due on the parcel which is approximately \$20,325 for a sale date of October 29, 2020. The price includes property taxes, delinquent taxes, and the cost of sale. If the sale date is extended further, it could affect the sales price by approximately \$100 per month.

As part of this process, the Planning Commission must make a finding of General Plan consistency in accordance with Government Code 65402(a). The item was considered at the June 3, 2020 Planning Commission meeting and staff will report on the status of the Commission's action on June 9th.

The timeline to maintain the current purchase price is as follows:

- City Council Resolution June 9, 2020
- County Board of Supervisor Hearing approval on July 14, 2020
- Sacramento County approval on August 28, 2020
- Parties of Interest notified on September 11, 2020
- Mandated publications on October 8, 2020
- Tentative date of sale on October 29, 2020
- Payment from City of Folsom due on November 19, 2020

FINANCIAL IMPACT

The fund to purchase this property would come from the City's General Fund (Fund 010) and available fund balance. The addition of this 3.03-acre parcel would complete the anticipated acreage for build-out of Lembi Community Park.

ENVIRONMENTAL REVIEW

This purchase is exempt from CEQA pursuant to 15061(b)(3)-The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

ATTACHMENTS

1. Resolution No. 10431 - A Resolution Authorizing the City Manager to Purchase a 3.03-Acre Parcel (A.P.N. 071-0690-006) in the City of Folsom made available through a Sacramento County Chapter 8 Auction Process
2. County of Sacramento Assessor Parcel Map
3. City of Folsom-2015 Parks and Recreation Master Plan-Lembi Park

Submitted,

Lorraine Poggione,
Parks and Recreation Director

RESOLUTION NO. 10431

A RESOLUTION AUTHORIZING THE CITY MANAGER TO PURCHASE A 3.03-ACRE PARCEL (A.P.N. 071-0690-006) IN THE CITY OF FOLSOM MADE AVAILABLE THROUGH A SACRAMENTO COUNTY CHAPTER 8 AUCTION PROCESS

WHEREAS, on January 24, 2015, the City Council adopted Resolution No. 9511 approving the Parks and Recreation Master Plan – 2015 Plan Update; and

WHEREAS, the 2015 Parks and Recreation Master Plan Update identified the Lembi Community Park improvements to include a trail on said parcel (071-0690-006); and

WHEREAS, in January 2020, the City of Folsom received a “Notice of Proposed Public Auction” on February 24, 2020; and

WHEREAS, on June 3, 2020, the City of Folsom Planning Commission made a finding of General Plan consistency in accordance with Government Code 65402 (a); and

WHEREAS, the City of Folsom desires to purchase said property; and

WHEREAS, sufficient funds are available in the General Fund (Fund 010) reserves in the amount of \$20,325, if purchased by October 29, 2020.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to purchase a 3.03-acre parcel (A.P.N. 071-0690-006) in the City of Folsom made available through a Sacramento County Chapter 8 Auction Process.

PASSED AND ADOPTED this 9^h day of June 2020, by the following roll-call vote:

- AYES:** Council Member(s):
- NOES:** Council Member(s):
- ABSENT:** Council Member(s):
- ABSTAIN:** Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK



1" = 297'

21

Independent verification of all data contained on this map product should be obtained by any user thereof. The County of Sacramento does not warrant the accuracy or completeness of this map product and therefore disclaims all liability for its fitness of use.

Lembi Park

Lembi Park is situated at 1302 Riley Street near the Folsom Aquatic Center and surrounded by residential housing. Existing recreational elements include a baseball field, softball fields, a basketball court, a volleyball court, tennis courts and soccer fields. Other recreational elements already developed include the nearby Aquatic Center, benches, walking paths, grass areas, benches, picnic tables, a picnic pavilion, BBQ grills, and restrooms. There is also a large parking lot adjacent to the park.

Included in the program development is 1/2 mile's length of trails in the park and a trail boardwalk.



Existing Recreational Elements



Programing remaining to be developed



Lembi Community Park

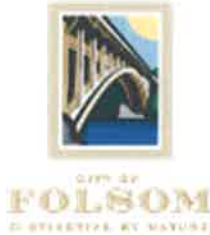
Programmed Facilities from the 2002 Master Plan Implementation Plan Update	Developed Facilities 2003 - 2013	2014 Master Plan Recommendation	Cost
Aquatic Center Classroom, water features, etc. ¹	-	-	-
	-	OS Trails (.5 Mile) ²	\$ 125,000
	-	Trail boardwalk ²	\$ 75,000
		Sub Total	\$ 200,000
Design, PM & Cont. (28.5%)			\$ 57,000
		Total	\$ 257,000

1. Development of the Folsom Aquatic Center is on a separate summary exhibit.

2. OS added in 2011 w/ new trail and wetland crossing planned.

Note: Where programming is listed but no cost is shown, indicates prior Commission direction to eliminate the program element to reduce the scope and total cost of the park.

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Folsom City Council Staff Report

MEETING DATE:	6/9/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10460 - A Resolution Authorizing the City Manager to Execute an Agreement with Tesco Controls for Consulting Services for the Supervisory Control and Data Acquisition (SCADA) System Upgrade and Maintenance Services for Water and Sewer
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 10460 - A Resolution Authorizing the City Manager to Execute an Agreement with Tesco Controls, Inc for Consulting Services for the Supervisory Control and Data Acquisition (SCADA) System Upgrade and Maintenance Services for Water and Sewer.

BACKGROUND / ISSUE

The Environmental and Water Resources Department currently uses a Supervisory Control and Data Acquisition (SCADA) system to control and communicate with remote water and wastewater facilities throughout the City. The SCADA system transmits data from remote locations via radio and cellular signals to receivers located at the City’s Corporation Yard and Water Treatment Plant. SCADA allows operators to monitor and control the operations of the water and sewer systems from remote locations and collects data from remote monitoring stations. The SCADA system also reduces the labor-hours required to operate the system, increasing the overall efficiency of department staffing.

Additionally, the data collection monitoring and alarms within the SCADA system allow the City to comply with regulatory requirements of both the Regional Water Quality Control Board (RWQCB) for sewer and the State Water Resources Control Board-Division of Drinking Water

(DDW) for water. SCADA allows the City to increase efficiency and reduce the overall operational costs by remotely monitoring and operating the department's facilities.

Currently, the City has two separate Wonderware Intouch Applications: one for the Water System and one for the Sewer system. The City intends to replace the two (2) existing Wonderware Intouch applications with one (1) unified application for both the water and sewer systems at a single location. This will allow the City to upgrade the system hardware, improve redundancy and security, and upgrade the system software to the latest version.

The City issued a Request for Proposals for SCADA system upgrade and maintenance and because of their knowledge of SCADA systems and the programming requirements of the City, Tesco Controls, Inc. has proven to be uniquely qualified in having the technical expertise to provide these services. City staff recommends authorizing the City Manager to execute an agreement with Tesco Controls, Inc. for consulting services for the SCADA system upgrade and maintenance services for water and sewer.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$62,014 or greater shall be awarded by City Council.

ANALYSIS

As with any equipment or operations system, the City's overall SCADA system needs to be maintained and upgraded to be compatible with the water and sewer facilities system improvements, technology upgrades and general operational requirements. SCADA system maintenance and upgrades will include the following services:

- Integrate new and upgraded facilities into the existing SCADA system
- Purchase and install new virtualized hardware and software for the SCADA system
- Program, configure and upgrade software for both water and sewer systems
- Interface with Environmental and Water Resources Department engineers and operations staff to plan, design and upgrade the new hardware and software upgrades to have operational functionality, cyber-security and full back up capabilities
- Interface with Environmental and Water Resources Department engineers and operations staff to coordinate and develop SCADA information to be included into regulatory reports
- Provide training to Environmental and Water Resources Department staff on SCADA equipment and software

The water and sewer divisions operate complex treatment, pump station, tank, and monitoring systems. These systems have complex software and components that require upgrades and modifications periodically. These upgrades and modifications require specially trained personnel to perform these functions. The City issued a Request for Proposals for SCADA system upgrade and Maintenance and received 5 proposals from qualified firms. After review of the proposals, the City proposes to utilize Tesco Controls, Inc. for these services for a not-to-exceed amount of \$315,000.

FINANCIAL IMPACT

Sufficient funds have been budgeted in the Sewer Operating Fund (530) and Water Operating Fund (520), for FY 2019-20 for these services.

ENVIRONMENTAL REVIEW

This project is exempt from environmental review under the California Environmental Quality Act, Section 15301 "Existing Facilities".

ATTACHMENT

Resolution No. 10460 - A Resolution Authorizing the City Manager to Execute an Agreement with Tesco Controls, Inc. for Consulting Services for the Supervisory Control and Data Acquisition (SCADA) System Upgrade and Maintenance Services for Water and Sewer.

Submitted,

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 10460

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH TESCO CONTROLS, INC. FOR CONSULTING SERVICES FOR THE SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM UPGRADE AND MAINTENANCE SERVICES FOR WATER AND SEWER

WHEREAS, the Environmental and Water Resources Department currently utilizes Supervisory Control and Data Acquisition (SCADA) system to control and communicate with remote water and wastewater facilities; and

WHEREAS, the City is required to meet specific Regional Water Quality Control Board (RWQCB) and State Water Resources Control Board - Department of Drinking Water (DDW) compliance requirements; and

WHEREAS, the City’s overall SCADA system needs to be maintained and upgraded to be compatible with the water and sewer facilities system improvements, technology upgrades and general operational requirements; and

WHEREAS, Tesco Controls, Inc., by reason of their past experience and abilities for performing these types of services, is uniquely qualified and recommended to continue to perform the required services; and

WHEREAS, funds have been budgeted in Sewer Operating Fund (530) and Water Operating Fund (520), for FY 2019-20; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute an agreement in the amount of \$315,000 with Tesco Controls, Inc. for consulting services for the Supervisory Control And Data Acquisition (SCADA) system upgrade and maintenance for water and sewer for a not to exceed total fee of \$315,000.

PASSED AND ADOPTED this 9th day of June, 2020, by the following roll-call vote:

- AYES:** Council Member(s):
- NOES:** Council Member(s):
- ABSENT:** Council Member(s):
- ABSTAIN:** Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK



CITY OF
FOLSOM
ESTABLISHED 1852

Folsom City Council Staff Report



MEETING DATE:	6/9/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10461 - A Resolution Supporting Proposed Modifications to State Transportation Fund Allocation Framework Administered by the Sacramento Area Council of Governments
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends the City Council adopt Resolution No. 10461 - A Resolution Supporting Proposed Modifications to State Transportation Fund Allocation Framework Administered by the Sacramento Area Council of Governments; authorizing and directing the City Manager or designee to work with SACOG on its regional funding process to provide a more streamlined, predictable and equitable approach that can be used for development of the five-year Capital Improvement Program.

BACKGROUND / ISSUE

The City of Folsom is a member agency of the Sacramento Area Council of Governments (SACOG), which is the designated Metropolitan Planning Organization (MPO) for the six-county Sacramento region and is the Regional Transportation Planning Agency for Sacramento County responsible for developing and implementing the long-range transportation plan. The six-county region includes the counties of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba and those agencies within.

The long-range transportation plan that links land use, air quality, and transportation needs is the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). The 2020 MTP/SCS was recently adopted by SACOG and is updated every four years.

SACOG develops and implements the MTP/SCS by coordinating transportation planning and long-range land use planning efforts among the local jurisdictions and by programming funding for transportation infrastructure in the region. These transportation funds are allocated to the MPO generally based on population or a similar formula that uses 75% population and 25% roadway mileage. The federal and state funds allocated to SACOG for programing are as follows:

- Regional Surface Transportation Program (RSTP) (by population)
- Congestion Mitigation and Air Quality (CMAQ) (by population)
- State Transportation Improvement Program (STIP) (by 75% population/25% mileage)
- Active Transportation Program (ATP) (by population)

El Dorado and Placer counties each have a Regional Transportation Planning Agency (RTPA) which programs their fair share of RSTP, CMAQ, and STIP funding. Typically, these RTPAs program most of these funds formulaically except for some select regional projects.

When SACOG was initially formed, all six counties in the SACOG region received 100 percent of these funds on the aforementioned formulaic basis. At that time, each member agency submitted their individual transportation plans and priorities, which did not result in a truly regional approach to transportation planning. Further, many smaller agencies did not receive adequate funding for larger, more costly transportation improvements. As a result, in 2003 a sub-region made up of Sacramento, Sutter, Yolo, and Yuba Counties agreed to pool their SACOG-allocated federal and state transportation funds and agreed to have SACOG allocate those funds through a competitive four-county process, which occurs on average every two years. The intent of this change was to create a funding pool for larger, regionally significant transportation projects in the MTP/SCS. It was also intended that the allocation of these funds would balance itself out over time, so that no member agency would overly benefit to the detriment of one or more other member agencies. This has not worked as intended to date, and there is concern that the competitive funding process has become inequitable and disadvantageous to some member agencies.

The next funding round is planned for the summer or fall of 2020 and is estimated to include \$200million in funding. Public Works staff from several member agencies have developed a proposal to modify the SACOG funding approach by streamlining the application process, providing more focus on local transportation priorities, and allocating some portion of the transportation funds on a formulaic basis.

POLICY / RULE

The City Council has sole authority to direct the City Manager and staff to work with external public agencies.

ANALYSIS

Staff has worked with SACOG for a number of years to deliver federal and state-funded transportation projects programmed through this 100% competitive process, which over time has grown more and more complex. This complexity increases the demand on limited resources, such as staff time.

As an example, in 2018 the City retained a consulting firm to prepare a grant application for the Oak Avenue Parkway Improvement Project, which consisted of the widening of Oak Avenue Parkway from two to four lanes between Folsom-Auburn Road and Baldwin Dam Road, including traffic control and intersection improvements at both ends of the project, and a separated bicycle path along the length of the project. The proposal was only for the receipt of funding for environmental clearance and design, but the project did not score high enough in the competitive process and was therefore rejected. This was the second time that a grant application was submitted for this project and was rejected.

The SACOG process also results in the following issues:

- Does not provide any long-term funding certainty, which makes it difficult to create funding plans for large projects, such as the Empire Ranch Road interchange, and to develop five-year capital improvement programs. For instance, the City may receive partial funding for a certain project and may need to re-compete for the same project two years later. Staff has also had to break larger projects into smaller segments to ensure they are funded, resulting in less effective project delivery, increased costs, and the delayed completion of projects for years. The best example of this is the Folsom segment of the Capital Southeast Connector project. The City partnered with the Connector JPA to seek \$15million in SACOG grant funds in the 2015 funding round but was only awarded \$7.5million. The project received additional funding through the SB-1 gas tax, but project costs also increased, so some elements of the original design had to be adjusted or deferred until additional funding could be identified.
- To ensure competitiveness, cities and counties must set aside local dollars as a possible match for SACOG funding that may not materialize if a project is not selected for funding.
- Recommendations on which projects should be funded are made by SACOG reviewer stakeholders that may have specific areas of interest but no familiarity with the area, the project, or the priorities of the community being affected.
- The competitive nature of the SACOG process creates division between local agencies instead of promoting regional cooperation and collaboration to leverage SACOG and SB1 funds for larger regional projects.

In October of 2019, Public Works staff from Sacramento County and the cities within the County met to discuss the SACOG process and possible solutions that could be proposed. Consensus was reached quickly, and a draft proposal was developed.

Each agency then received support from its respective city and county leadership. The proposal was then shared with Sutter, Yolo, and Yuba Counties and the cities within those counties to gain a broad consensus across the four-county region. While a consensus could not be reached, a number of agencies voiced support including Yuba County, Sutter County, and the City of Winters. During this process, local agency staff also met with SACOG staff in December 2019 and again in February 2020 to discuss local concerns and possible solutions.

As a result of these meetings and the input received, a proposal was provided to SACOG staff at the end of April and is included as Attachment 2 to this staff report. This proposal would shift the SACOG process from 100% competitive to 25% competitive/75% allocation. This allocation would be based on the same formulas used for allocating these funds to SACOG. As noted in the attachment, this would provide more certainty to local agencies, and provide funding for regional projects while still meeting SACOG's regional goals including compliance with the MTP/SCS and Air Quality standards.

This proposal along with other items related to the 2020 funding round were brought to the SACOG Policy & Innovation Committee, Transportation Committee, and the Land Use & Natural Resources Committee in May. The result of these committee meetings was to push SACOG board action from June to August. This creates the opportunity for additional committee consideration in June and further discussion with agencies interested in this proposal.

The City Council could elect to not authorize the resolution, and direct staff to work with SACOG regarding streamlining regional funding and providing a more predictable and equitable funding that can be used for development of the five-year Capital Improvement Program. This alternative is not recommended as it would maintain the status quo and create a variety of challenges in planning and programming transportation projects in the Capital Improvement Program.

FINANCIAL IMPACT

There is no direct fiscal impact associated with this action. Should these efforts prove successful, there is the potential for more efficient programming and delivery of Capital Projects in the Capital Improvement Program. There is also the potential for more direct control of federal and state funds for local priorities and greater potential to leverage other federal, state, and local funding sources.

ENVIRONMENTAL REVIEW

This project has been deemed categorically exempt from environmental review.

ATTACHMENTS

1. Resolution No. 10461 - A Resolution Supporting Proposed Modifications to State Transportation Fund Allocation Framework Administered by the Sacramento Area Council of Governments
2. April 29, 2020 Proposal to Streamline and Maximize Efficiency of Federal and State Funds Managed by SACOG

Submitted,



Dave Nugen, Public Works Director

Attachment 1
Resolution No. 10461

RESOLUTION NO. 10461**A RESOLUTION SUPPORTING PROPOSED MODIFICATIONS TO STATE
TRANSPORTATION FUND ALLOCATION FRAMEWORK ADMINISTERED BY THE
SACRAMENTO AREA COUNCIL OF GOVERNMENTS**

WHEREAS, the City of Folsom is a member agency of the Sacramento Area Council of Governments (SACOG); and

WHEREAS, SACOG is the designated Metropolitan Planning Organization (MPO) for the six-county Sacramento region and is the transportation planning agency responsible for developing and implementing the long-range transportation plan; and

WHEREAS, the long-range transportation plan linking land use, air quality, and transportation needs is the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS); and

WHEREAS, SACOG develops and implements the MTP/SCS by coordinating transportation planning and long-range land use planning efforts among the local jurisdictions, and by programming funding for transportation infrastructure in the region; and

WHEREAS, transportation funds are allocated to SACOG based on population or a similar formula that uses 75% population and 25% roadway mileage; and

WHEREAS, SACOG currently programs federal and state transportation funds for Sacramento, Sutter, Yolo, and Yuba Counties through competitive four-county funding rounds, which occur on average every two years; and

WHEREAS, the regional funding round competition has developed over time, and the application process has become more complex creating additional costs to compete for federal and state funds; and

WHEREAS, the regional funding round competition has created a lack of long-term certainty over the City's Capital Improvement Program; and

WHEREAS, staff from agencies within Sacramento County have developed a proposal for SACOG that streamlines the application process and incorporates the concept of 75% of the funds being formulaically distributed and leaving 25% for a competitive round.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom hereby authorizes and directs the City Manager or designee to work with SACOG on the regional funding process to provide a more streamlined, predictable and equitable approach that can be used for development of the Capital Improvement Program.

PASSED AND ADOPTED this 9th day of June, 2020, by the following roll-call vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):
ABSTAIN: Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

April 29, 2020 Proposal to Streamline and Maximize Efficiency of Federal and State Funds Managed by SACOG

FOUR COUNTY SACOG MEMBER AGENCY PROPOSAL
SACRAMENTO COUNTY AGENCIES REVISIONS (4/29/20)

**Proposal to Streamline and Maximize Efficiency of
Federal and State Funds Managed by SACOG**

SACOG, as the designated Metropolitan Planning Organization for the six counties, is required to program the federal and state transportation funding that is allocated to each county based primarily on population. After 18 years, most member agencies believe it is time to re-evaluate the process that is used to distribute funding to four of the six counties (Sacramento, Yolo, Yuba, and Sutter Counties). Before and after 2002, El Dorado and Placer Counties in the SACOG MTP/SCS Region are given their county share of federal and state funding and allocate most of the funding to their agencies by formula. Many COGs throughout the state and nation continue to use this model.

Given limited local and outside transportation funds and substantial transportation system needs throughout the region, most agencies recognize that the time, cost, and unpredictability of a competitive program for four of the six counties is not the most effective way to achieve MTP/SCS goals and meet regional and local transportation needs. Given current conditions, including air quality conformity in lockdown and declines in local funding, the regional transportation funding program managed through SACOG is an opportunity to provide economic stimulus and address local agency funding shortfalls. A revised approach is recommended to more efficiently and effectively program regional transportation funding, both for 2020 and for future rounds.

Goals:

- Use the region's limited state, federal, and local transportation dollars as efficiently as possible to maximize achievement of MTP/SCS goals through local agency project and program delivery. Specifically, focus on projects that achieve the following goals:
 - Achieve VMT reductions and LOS improvements by adding facilities and services to support mode shift, shorten trips, and relieve congestion.
 - Promote reduction in GHG through mode shift and new technologies while allowing local agencies to address their unique needs
 - Maintain a state of good repair
 - For the upcoming 2020 funding round, fund projects that can be achieved under air quality conformity lockdown and that help provide stimulus to local agencies with reduced local transportation funding and support regional economic recovery.
- Provide predictability and agility in funding, to allow for longer term planning of needed facilities, greater leveraging of other funds, and ability to respond to changed conditions and opportunities

- Regional leadership in establishing priorities for regional projects to ensure consistency with air quality conformity and SCS goals and coordinating solutions for regional transportation projects and funding strategies
- Local leadership in establishing priorities for local projects while ensuring consistency with air quality conformity and SCS goals.
- Maximize dollars to the region through management of federal and state funds
- Make application process for regional funds less costly and time-consuming

Existing Challenges:

- Lack of predictability in funding, creating uncertainty in planning and delivery of projects beyond two to three years out
- Inability to take advantage of SACOG-managed federal funds to leverage other funding programs (e.g., SB1 programs)
- Piecemealing of projects into segments, resulting in less effective project delivery, increasing costs and delaying completion of projects for years
- Maintenance and upgrading of existing infrastructure is falling further behind, exponentially increasing future regional transportation costs for the next generation
- Decisions on which local projects are funded are not made by those with the greatest understanding of the individual projects and community being affected; instead, they are made by other individuals with specific topical expertise but that may have no specific familiarity with the area, project, or the needs of the community being affected
- Individual agency's lower priority projects can be funded while its higher priority projects go unfunded.
- There are no feasible funding strategies for regional and large projects.
- Much of available local transportation dollars are used for SACOG application preparation and overmatching and adding design enhancements to projects, resulting in difficulty for local agencies to pursue other grants, scope new projects, and to locally fund smaller or local priority projects
- Limited flexibility to adjust funding on projects to reflect new opportunities or to address uncontrollable delays (e.g., environmental and ROW issues)

Proposal

- Streamline the process for allocating state and federal dollars for all six counties in a manner similar to what is already being successfully used by El Dorado and Placer Counties in the SACOG MTP/SCS Region. Allocate funding (STIP, RSTP, CMAQ) by county based on statewide and federal allocations to each of the six counties (adding Sacramento, Yolo, Yuba, Sutter to existing process for Placer and El Dorado Counties).
- SACOG will work with jurisdictions to establish funding priorities based on MTP/SCS needs to guide these allocations while supporting individual jurisdictional needs.
- In each county, each local agency and special district (transit agency, Caltrans, air district) will receive an allocation to program in the MTIP based on a formula determined at the countywide level, which would consider at a minimum what the agencies have historically received.
- Based on a short SACOG application (two to three pages), each agency will submit its planned projects, costs, and delivery schedule to SACOG for review for consistency with the MTP/SCS and its overall guidelines/funding priorities, and to program for fund/delivery year management (e.g., adjust delivery year based on financial constraints). Applications will be reviewed by technical review committees and by advisory committees to answer questions and provide feedback on potential issues and improvements.
- Strategies for smaller agencies can include swapping out federal funding for local with larger agencies or getting larger allocations in less frequent intervals in order to make delivery easier and more effective
- Based on the MTP/SCS priorities, SACOG would define specific high-priority regional projects by county and work with agencies on funding strategies to deliver large and regional projects. The focus of regional projects will be to leverage outside funding (e.g., SB1 programs) and assist in multi-agency efforts.
- SACOG would manage competitive programs for the four- or six-county region as required by the state, for pilot programs, or to achieve special outcomes that would not be achieved through local programming decisions. As an overall starting assumption, about 75% of regional four-county funding would be allocated by formula to all the local agencies and special districts (e.g., transit agencies) and the remaining 25% (such as ATP) would be competitive programs. Placer and El Dorado Counties would continue to only have to compete for ATP and would continue receiving the rest of their funding by formula.

- For the 2020 round, the desire is to place 50% of the overall funding into a stimulus program by formula; the remaining 50% of funding would be within SACOG Consolidated Programs, with half by formula and half by competitive application to achieve an overall rate of 75% by formula as summarized below:
 - 50% of funds for Stimulus Program by formula;
 - 25% of funds for SACOG Consolidated Program by formula;
 - 25% of funds for SACOG Consolidated Program by competition.

- SACOG would consolidate competitive funding programs and streamline the application process.

- SACOG would continue to manage project delivery schedules to maximize regional spending to take advantage of August redistributions. In addition, it would review the types and locations of projects being constructed throughout the region and make recommendations on adjustments needed for all six counties to better support MTP/SCS goals

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CITY OF
FOLSOM
ESTABLISHED 1852

Folsom City Council Staff Report

MEETING DATE:	6/9/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10462- A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding with the County of Sacramento for Commercial and Industrial Stormwater Inspections and Enforcement Within Folsom to Comply with the City’s National Pollutant Discharge Elimination System (NPDES) Permit
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 10462 - A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding with the County of Sacramento for Commercial and Industrial Stormwater Inspections and Enforcement Within Folsom to Comply with the City’s National Pollutant Discharge Elimination System (NPDES) Permit.

BACKGROUND / ISSUE

The City of Folsom is a member of the Sacramento Stormwater Quality Partnership, along with the County of Sacramento and the Cities of Sacramento, Citrus Heights, Galt, Rancho Cordova and Elk Grove (collectively referred to as Permittees). The partnership exists to develop programs and policies for compliance with waste discharge requirements (National Pollutant Discharge Elimination System [NPDES] Permit No. CAS085324 hereinafter referred to as “Permit”) issued jointly to all the Permittees by the California Regional Water Quality Control Board (RWQCB) for municipal stormwater discharges.

City Council passed Resolution No. 7271 on February 24, 2004, authorizing the City to enter into its first 5-year Memorandum of Understanding (MOU) with Sacramento County Environmental Management Division (County EMD) to provide inspection and enforcement

services to meet the requirements of the permit. The MOU details the responsibilities for the inspection program, enforcement, industry notification, record keeping and complaint response. All Permittees executed separate 5-year agreements with County EMD to provide the same basic service. The 2004 MOU was first renewed in 2010 and again in 2015 by Resolution 9625. The current 2015 MOU agreement expires on June 30, 2020. The Permittees have collectively developed a new 5-year agreement (Attachment 2). County EMD and the Permittees would like to continue its partnership by adopting the new MOU.

POLICY / RULE

City Council authorization is required to enter into an inter-agency Agreement.

ANALYSIS

Attachment K – Prescriptive Requirements of the NPDES Permit No. CAS085324 (Permit) requires the City to inspect and ensure certain commercial/industrial facilities for compliance with the Stormwater Ordinance. The current MOU between the City and the County EMD for these services expires on June 30, 2020. In order to avoid disruption to the program and noncompliance with the City’s Stormwater permit, it is requested that the new MOU be adopted. The County of Sacramento will execute a new MOU with each agency under separate agreements to authorize the same terms of agreement.

The Memorandum of Understanding with the County of Sacramento for implementing the Commercial and Industrial Stormwater Compliance Program required under the National Pollutant Discharge Eliminate System (NPDES) Permit No. CAS085324 has been reviewed and approved by the City Attorney, and a copy is included as Attachment 2.

FINANCIAL IMPACT

The MOU for the County program is entirely fee based and, other than continued City staff time for coordination and oversight, it will have no financial impact to the City. The County charges the private businesses within our jurisdiction an annual inspection fee to be in the inspection program.

If the MOU is not approved, the City would have to spend significant additional staff time conducting the inspections and enforcement actions, or else hire a consultant to perform the activities.

ENVIRONMENTAL REVIEW

The MOU is required to comply with the provisions of the Municipal Stormwater Permit. Failure to execute the MOU may subject the City of Folsom to regulatory action.

The MOU does not call for the implementation of specific projects and requires only an inspection program assigning roles and responsibilities. Therefore, the MOU is not subject to environmental review.

ATTACHMENTS

1. Resolution No. 10462 - A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding with the County of Sacramento for Commercial and Industrial Stormwater Inspections and Enforcement Within Folsom to Comply with the City's National Pollutant Discharge Elimination System (NPDES) Permit
2. Memorandum of Understanding with the County of Sacramento for Commercial and Industrial Stormwater Inspections and Enforcement within Folsom to Comply with the City's National Pollutant Discharge Elimination System (NPDES) Permit

Submitted,



Dave Nugen, PUBLIC WORKS DIRECTOR

Attachment 1
Resolution No. 10462

RESOLUTION NO. 10462

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE COUNTY OF SACRAMENTO FOR COMMERCIAL AND INDUSTRIAL STORMWATER INSPECTIONS AND ENFORCEMENT WITHIN FOLSOM TO COMPLY WITH THE CITY'S NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT

WHEREAS, On August 11, 2015, the County and the City entered into a 5-year agreement for enforcement of regulatory compliance with National Pollutant Discharge System Permit (hereinafter referred to as the "Agreement"); and

WHEREAS, as stated therein, the Agreement expires June 30, 2020; and

WHEREAS, The County and the City developed a new Agreement with terms and provisions intended to update those set forth in the present Agreement; and

WHEREAS, Attachment K – Prescriptive Requirements of the National Pollutant Discharge Elimination System (NPDES) Permit No. CAS085324 (Permit) requires the City to inspect and ensure certain commercial/industrial facilities for compliance with the Stormwater Ordinance; and

WHEREAS, to provide a consistent program across the county, lessen the burden to local businesses affected, and reduce administrative costs, Sacramento County agrees to implement the required compliance program for all permitted agencies; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a Memorandum of Understanding with the County of Sacramento for Commercial and Industrial Stormwater Inspections and Enforcement within Folsom to comply with the City's National Pollutant Discharge Elimination System (NPDES) Permit.

PASSED AND ADOPTED this 9th day of June 2020, by the following roll-call vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):
ABSTAIN: Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

Memorandum of Understanding with the County of Sacramento for Commercial and Industrial Stormwater Inspections and Enforcement within Folsom to Comply with the City's National Pollutant Discharge Elimination Systems (NPDES) Permit

COUNTY OF SACRAMENTO

AGREEMENT NO. # _____

AGREEMENT

THIS AGREEMENT is made and entered into as of this ____ day of _____ 2020, between the COUNTY OF SACRAMENTO ENVIRONMENTAL MANAGEMENT DEPARTMENT, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), and the CITY OF FOLSOM, a charter municipal corporation (hereinafter referred to as "CITY").

RECITALS

WHEREAS, in 1987 Congress amended Section 402 of the Federal Clean Water Act to require the United States Environmental Protection Agency ("EPA") to promulgate regulations for permits for stormwater discharges; and

WHEREAS, the regulations are designed to control pollutants associated with stormwater discharges through the use of the National Pollutant Discharge Elimination System ("NPDES") permit system which allows the lawful discharge of stormwater into the waters of the United States; and

WHEREAS, the EPA has delegated to the State of California the authority to issue NPDES permits; and

WHEREAS, the California Regional Water Quality Control Board, Central Valley Region ("Regional Board") has been charged by the California State Water Resources Control Board with the responsibility to issue NPDES permits within the Central Valley Region; and

WHEREAS, on June 23, 2016, the Regional Board adopted a NPDES stormwater permit No. CAS0085324, Order No. R5-2016-0040, (hereinafter referred to as "Permit"), and the County of Sacramento and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova and Sacramento (PERMITTEES) obtained coverage under the Permit on November 23, 2016 through receipt of the Notice of Applicability ; and

WHEREAS, references in this AGREEMENT to the Permit shall be construed as including applicable sections of the Stormwater Quality Improvement Plan, (SQIP), and any other valid order or instrument issued by the Regional Board regarding implementation of the Permit; and

WHEREAS, PERMITTEES must comply with the Permit, its successor Permit, and other stormwater compliance documents subject to modification by the Regional Board; and

WHEREAS, CITY is responsible for overseeing regulatory compliance with the Permit for areas within its jurisdiction; and

WHEREAS, CITY has adopted a Stormwater Ordinance set forth in Chapter 8.70 of the Folsom Municipal Code ("Stormwater Ordinance") to prohibit the discharge of pollutants to CITY's municipal stormwater conveyance system; and

WHEREAS, the Regional Commercial/Industrial Program section of the SQIP includes the requirement to track, inspect and ensure compliance with the Stormwater Ordinance at industrial and commercial facilities; and

WHEREAS, COUNTY, as both the State designated Certified Unified Program Agency (CUPA) and Environmental Health Agency for Sacramento County, is currently tracking, conducting inspections and otherwise regulating, pursuant to Division 20, Chapter 6.11, and Division 104, Part 7 of the Health and Safety Code, the majority of the commercial and industrial facilities that are subject to compliance with the Stormwater Ordinance; and

WHEREAS, CITY has determined that the cost to track, inspect and ensure stormwater compliance at commercial and industrial facilities is such that it would be more economical, feasible, and appropriate to utilize the services of COUNTY to fulfill the commercial/industrial stormwater program requirements of the Permit; and

WHEREAS, Article 11, section 8, of the California Constitution provides that a county may agree with a city within its borders to perform specified municipal functions, if provided by their respective charters, and the City and County Charters allow the City Council and the Board of Supervisors, respectively, to enter into agreements for the performance of municipal functions by COUNTY; and

WHEREAS, pursuant to Folsom Municipal Code Chapter 8.70, STORMWATER MANAGEMENT AND DISCHARGE CONTROL, Section 8.70.320, Commercial and Industrial facility inspections, and Section 8.70.400, Enforcement, CITY may enter into agreements with COUNTY and its authorized officials and employees to administer and enforce the CITY Stormwater Ordinance with respect to commercial and industrial facilities in the CITY by including these facilities in COUNTY's commercial and industrial compliance program; and

WHEREAS, pursuant to Folsom Municipal Code Section 8.70.400 (C), if CITY and COUNTY enter into such an agreement, any administrative or civil enforcement by COUNTY of the CITY Stormwater Ordinance with respect to such commercial and industrial facilities shall be governed by and conducted pursuant to the COUNTY's own stormwater ordinance; and

WHEREAS, COUNTY and CITY desire to enter into the terms and conditions set forth herein,

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, the parties hereto agree as follows:

I. SCOPE OF SERVICES

COUNTY shall provide services in the amount, type, and manner described in Exhibit "A", which is attached hereto and incorporated herein.

CITY shall provide services in the amount, type, and manner described in Exhibit "B", which is attached hereto and incorporated herein.

II. COST SHARE

Each party shall be responsible for the costs of implementing their respective services as described in Exhibits "A" and "B."

III. TERM

This Agreement shall be effective and commence as of the date first written above and shall end on June 30, 2025, unless sooner terminated as provided herein.

IV. NOTICE

Any notice, demand, request, consent, or approval that either party hereto may or is required to give the other pursuant to this Agreement shall be in writing and shall be either personally delivered or sent by certified mail, return receipt requested, addressed as follows:

TO COUNTY

Marie Woodin, Director
Sacramento of County
Environmental Management Department
10590 Armstrong Avenue
Sacramento, CA 95655

TO CITY

Dave Nugen, Director
Department of Public Works
City of Folsom
50 Natoma Street
Folsom, CA 95630

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt. Notice shall be deemed effective on the date of receipt.

V. COMPLIANCE WITH LAWS

CITY and COUNTY and their respective officers and employees shall observe and comply with all applicable Federal, State, County and City laws, regulations and ordinances, including but not limited to laws, regulations and ordinances governing conflict of interest.

VI. EMPLOYMENT STATUS OF PERSONNEL

1. Any persons employed by COUNTY for the performance of services pursuant to this Agreement shall remain employees of COUNTY, shall at all times be under the direction and control of COUNTY, and shall not be considered employees of CITY. All persons employed by COUNTY to perform services pursuant to this Agreement shall be entitled solely to the rights and privileges afforded to COUNTY employees and shall not be entitled, as a result of providing services hereunder, to any additional rights or privileges that may be afforded to CITY employees.
2. For the purpose of performing the services provided for in this Agreement, and for the purpose of giving official status to the performance thereof where necessary, every COUNTY officer and employee engaged in the performance of any service hereunder shall be deemed to be an agent of the CITY while performing such services for CITY, provided that such services are within the scope of this Agreement, are purely municipal functions and are performed as

authorized by the Folsom Municipal Code. Notwithstanding the agency relationship established by this subsection, the CITY shall not be liable for any act or omission of any COUNTY officer or employee.

3. CITY shall not be liable for the payment of any salaries, wages, compensation or other benefits to any COUNTY employee performing services pursuant to this Agreement, or for compensation or indemnity to any COUNTY employee for injury or sickness arising out of his or her employment with the COUNTY and providing services pursuant to this Agreement.
4. COUNTY hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based on any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

VII. SHARE OF LIABILITIES

Notwithstanding any provision hereof to the contrary, if the Regional Board or other regulatory agency imposes penalties on the CITY, or any third party files a lawsuit against the CITY, based on any violation of the Permit by CITY, and such violation is related to any activities performed by either party under this Agreement, each party shall be responsible for the costs of such penalties or third party lawsuits to the extent that such penalties or lawsuits arise from activities performed or required to be performed by that party, its officers, directors, agents, employees, and volunteers, under this Agreement.

VIII. INDEMNIFICATION

CITY shall defend, indemnify and hold harmless COUNTY, its Board of Supervisors, officers, directors, agents, employees and volunteers from and against all demands, claims, actions, liabilities, losses, damages, and costs, including reasonable attorney's fees, arising out of or resulting from the performance of the Agreement, caused in whole or in part by the negligent or intentional acts or omissions of CITY officers, directors, agents, and employees (including its volunteers and students).

COUNTY shall defend, indemnify, and hold harmless CITY, its City Council, officers, directors, agents, employees, and volunteers from and against all demands, claims, actions, liabilities, losses, damages and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of the Agreement, caused in whole or in part by the negligent or intentional acts or omissions of COUNTY's Board of Supervisors, officers, directors, agents, and employees (including its volunteers and students).

It is the intention of COUNTY and CITY that the provisions of this SECTION be interpreted to impose on each party responsibility to the other for the acts and omissions of their respective officers, directors, agents, employees, volunteers and students, COUNTY's Board of Supervisors, and CITY's City Council. It is also the intention of COUNTY and CITY that, where comparative fault is determined to have been contributory, principles of comparative fault will be followed and each party shall bear the proportionate cost of any damage attributable to the fault of that party, its officers, directors, agents, employees, volunteers and students, COUNTY's Board of Supervisors and CITY's City Council.

IX. SUBCONTRACTS AND ASSIGNMENT

1. Any subcontracting will be subject to all applicable provisions of this Agreement. Subcontracting services delivered under this Agreement shall not in any way relieve COUNTY of any duty or responsibility under this Agreement and COUNTY shall remain primarily obligated for the performance of all services.
2. This Agreement is not assignable by COUNTY in whole or in part, without the prior written consent of CITY.

X. AMENDMENT AND WAIVER

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder.

XI. INTERPRETATION

This Agreement shall be deemed to have been prepared equally by both of the parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

XII. TERMINATION

Either party may terminate this Agreement upon one hundred and eighty (180) days written notice to the other party. Notice shall be deemed served on the date of mailing.

XIII. PRIOR AGREEMENTS

This Agreement constitutes the entire contract between COUNTY and CITY regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between COUNTY and CITY regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of this Agreement.

XIV. DUPLICATE COUNTERPARTS

This Agreement may be executed in duplicate counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

COUNTY OF SACRAMENTO, a political subdivision of the State of California

By:

_____ Date: _____

Marie Woodin, Director
Environmental Management Department

Reviewed and approved by County Counsel:

_____ Date: _____

Deputy County Counsel

COUNTY OF SACRAMENTO

AGREEMENT NO. _____

CITY OF FOLSOM

a charter municipal corporation of the State of California

By:

_____ **Date:** _____
Elaine Andersen, City Manager

Attest:

_____ **Date:** _____
Christa Freemantle, City Clerk

Approved as to form:

_____ **Date:** _____
Steven Wang, City Attorney

**EXHIBIT A to Agreement
between the COUNTY OF SACRAMENTO,
hereafter referred to as "COUNTY," and
the CITY OF FOLSOM, hereafter referred to as "CITY"**

I. SCOPE OF SERVICES

COUNTY DESCRIPTION OF SERVICES

COUNTY will work within a cooperative relationship with CITY and provide the following services:

- 1. Administer and enforce CITY's Stormwater Ordinance with respect to commercial and industrial facilities within the CITY.**
 - A. COUNTY will administer and enforce CITY's Stormwater Ordinance with respect to commercial and industrial facilities within the incorporated CITY area, to the extent that COUNTY administration and enforcement is authorized by the Stormwater Ordinance or any amendments thereto adopted by the Folsom City Council.
- 2. Provide inspections at commercial and industrial facilities within the incorporated CITY area as required by the Permit and the current California Regional Water Quality Control Board Order in effect during the contract period consistent with applicable provisions of the Stormwater Ordinance.**
 - A. COUNTY will complete a stormwater compliance inspection at each eligible commercial and industrial facility at least once every three years.
 - B. As necessary to comply with provisions of the Permit, categories may be proposed by the City for addition to or deletion from the Commercial and Industrial Stormwater Compliance Program (CISCP).
 - C. COUNTY will, in coordination with CITY, maintain and update inspection form(s) to be used by COUNTY personnel.
 - D. COUNTY will maintain and update the required area survey activities to ensure that new facilities are incorporated into the stormwater inspection and enforcement program and will provide, at a minimum, annual updates of database.
 - E. COUNTY will distribute at the time of inspection any educational materials provided by CITY for such distribution.
 - F. As necessary to comply with provisions of the permit, at the request of CITY, COUNTY will incorporate procedures to evaluate mitigation measures for target pollutant and/or priority water quality constituent

sources at commercial and industrial facilities that are identified by CITY. Inspection procedures will be designed to provide reasonable assurance that pollutant sources and their associated mitigation measures are adequately managed to reduce pollutant discharge, while making efforts to minimize the amount of additional time and resources needed to do so, by coordinating such procedures with existing inspection procedures.

3. Provide follow-up inspection and enforcement actions consistent with the requirements of the Permit and applicable provisions of the Stormwater Ordinance.

- A. In coordination with CITY, COUNTY will update follow-up inspection protocols and a progressive enforcement policy document for submittal to the Regional Board as part of the Stormwater Quality Improvement Plan (SQIP).
- B. COUNTY will provide enforcement assistance, as requested, by the Regional Board.

4. Provide a funding mechanism for commercial and industrial facility stormwater compliance inspection program.

- A. COUNTY will quantify necessary COUNTY resources required to achieve compliance with the Permit as it applies to inspection, enforcement, and other related activities for commercial and industrial facilities, as agreed to in this Agreement.
- B. COUNTY will develop and present to the COUNTY Board of Supervisors a proposed ordinance that authorizes COUNTY to recover program costs resulting from the expenditure of resources required for program implementation. Such an ordinance will include a fee schedule detailing annual fees for all facilities included in the commercial and industrial stormwater compliance program.

5. Provide support for presentations before the Folsom City Council and other groups or individuals.

If requested, COUNTY will assist in the presentation of stormwater related issues before the City Council and any other groups or individuals.

6. Provide Adequate Industry Notification.

COUNTY, along with CITY, will conduct workshops and other outreach efforts to inform the regulated community of pending fee changes, significant compliance issues, and changes to program.

7. Provide for additional staff and training.

- A. COUNTY will review current level of staffing and will develop a work plan documenting additional staff required for the commercial and industrial stormwater compliance program implementation.
- B. COUNTY will arrange for and secure staff training as needed or as requested by CITY.

8. Maintain adequate record-keeping and notification system.

- A. COUNTY will review and update recordkeeping and notification requirements required by the Permit and incorporate these requirements into its existing record keeping and outside agency reporting protocols and shall provide such records upon request to CITY.
- B. COUNTY will make additions and/or adjustments to its existing database to comply with data management requirements contained in Permit.
- C. County will maintain CISC records for a minimum of five (5) years.

9. Appointment of a Senior Level Manager as liaison to CITY for coordination with the commercial and industrial stormwater compliance program.

COUNTY will designate a senior level position to oversee all stormwater program activities immediately upon signing of the Agreement who shall act as the primary liaison with CITY. CITY shall be immediately notified of this contact person.

10. Provide for complaint response.

- A. COUNTY will maintain and update as needed the methodology that outlines how complaints should be categorized and the appropriate level of response required as to complaints for those industries within COUNTY's inspection jurisdiction.
- B. COUNTY, along with CITY, will work directly with the Regional Board to develop and modify this proposed methodology, to ensure Permit compliance.
- C. Respond to complaints received regarding facilities not currently inventoried as a CISC facility, but for which there is credible information indicating a reasonable likelihood that it is a CISC facility. Based on its investigation of the facility, COUNTY will determine whether or not it is a CISC facility. COUNTY will be responsible for investigation and enforcement of complaints at facilities it determines to be CISC facilities, and will refer complaints regarding non-CISC facilities to CITY. Referrals to CITY of non-CISC facility discharges will be provided within one business day to the extent practicable.

11. Provide for reporting and documentation.

Not later than August 31 of each year, COUNTY will provide CITY any inspection, enforcement, complaint data or documentation needed by CITY to achieve compliance with reporting requirements contained in the Permit. This will include at a minimum:

- Number of businesses/facilities inspected;
- Number of enforcement actions taken, including the amount of fines or monies assessed and collected;
- Number of complaints referred to COUNTY by the Regional Board;
- Total number of complaint responses by COUNTY;
- Enforcement assistance provided to the Regional Board;
- Inspection or complaint response records for specific facilities requested by CITY on an as-needed basis.
- Program effectiveness evaluation data.

12. Provide for progress evaluation.

- A. COUNTY and CITY shall meet on a quarterly basis for program updates and coordination purposes. COUNTY and CITY will meet semi-annually to evaluate program effectiveness.
- B. COUNTY and CITY will develop methodology for conducting CISCP program effectiveness evaluations to be completed by the COUNTY and reported as a part of item 11 above.
- C. As with its other regulatory programs, COUNTY will prepare required records or documentation relating to the stormwater program for the purpose of a financial review or analysis by CITY and COUNTY Auditor(s).

13. Mitigation of Pollutant Sources

- A. If COUNTY discovers during an inspection or in response to a complaint that pollutants from a CISCP facility pose an imminent threat of entering the City's storm drain system or natural surface water, and causing an exceedance of a receiving water limitation, COUNTY will take reasonable action to ensure that timely measures are taken to mitigate the pollutant source. COUNTY will either:
 - i. Ensure that the responsible party has acted to effectively mitigate the pollutant source; or

- ii. Promptly notify the appropriate agencies that have the authority to abate the discharge in lieu of the responsible party.
- B. COUNTY will establish, maintain, and provide its staff with proper procedures and a current list of contacts for making appropriate notifications to other agencies for timely pollutant mitigation.
- C. COUNTY will not be financially responsible for pollutant mitigation.

**EXHIBIT B to Agreement
between the COUNTY OF SACRAMENTO,
hereafter referred to as "COUNTY," and
the CITY OF FOLSOM, hereafter referred to as "CITY"**

I. CITY DESCRIPTION OF SERVICES

Consistent with applicable provisions of the Folsom City Charter and Municipal Code, CITY will work within a cooperative relationship with COUNTY and provide the following services:

1. Assist in the specification of the commercial and industrial facilities to be inspected, as defined by Permit.

CITY will work with COUNTY to continue to maintain and update an inclusive inventory of commercial and industrial facilities that are subject to inspections, enforcement, and other associated activities, as defined by the Permit.

2. Provide support for presentations before COUNTY Board of Supervisors and other groups or individuals.

If requested by COUNTY, CITY will assist in the presentation of stormwater related issues before COUNTY Board of Supervisors and any other groups or individuals.

3. Modification of Local Stormwater Ordinance.

If necessary, CITY staff will amend or modify and present to the City Council proposed amendments to CITY's existing Stormwater Ordinance to ensure ongoing authorization is provided to COUNTY to implement the stormwater compliance program for commercial and industrial facilities consistently County-wide.

4. Provide Adequate Industry Notification.

CITY will continue to maintain and update industry notification and educational materials and, when requested by the COUNTY, will participate with COUNTY in workshops and other outreach efforts to inform the regulated community of pending fees and significant compliance issues and changes to the compliance program.

5. Assist in staff training.

If requested by COUNTY, CITY will provide assistance in developing staff training modules and materials. CITY will also assist, if requested, in the development of a work plan documenting additional staff required for the implementation of the commercial and industrial stormwater compliance program.

6. Appointment of a Senior Level Manager, or a Senior Level Manager's designated representative, as liaison to COUNTY for coordination with the commercial and industrial stormwater compliance program.

CITY will appoint a senior level manager or identify a senior level manager designee to oversee the commercial and industrial facility stormwater program activities and to act as the primary liaison with COUNTY.

7. Provide for complaint response.

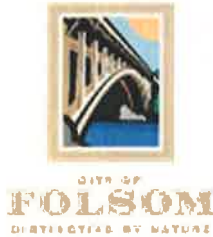
CITY will be responsible for complaint response for those industries in the CITY that are not specified by the Permit or the Regional Board to be included in the commercial and industrial inspection program.

8. Reporting and documentation requirements.

CITY will work with COUNTY to develop specific report format(s) including data elements needed to comply with reporting requirements contained in the Permit.

9. Other Additional Services.

CITY may develop and provide to COUNTY educational outreach materials to be distributed during commercial and industrial inspections.



Folsom City Council Staff Report



MEETING DATE:	6/9/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10463 – A Resolution Authorizing the City Manager to Execute an Agreement with Sacramento Housing and Redevelopment Agency for Continued Participation in the Community Development Block Program from January 1, 2021 to December 31, 2023
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Move to Adopt Resolution No. 10463 - A Resolution Authorizing the City Manager to Execute an Agreement with Sacramento Housing and Redevelopment Agency for Continued Participation in the Community Development Block Program from January 1, 2021 to December 31, 2023.

BACKGROUND / ISSUE

The City of Folsom currently has a Community Development Block Grant (CDBG) cooperation agreement with the Sacramento Housing and Redevelopment Agency (SHRA). This agreement authorizes SHRA to assist the City of Folsom with essential community development and housing assistance activities and to approve eligible programs and/or projects. In addition, this agreement allows the City of Folsom to participate in the HOME Investment Partnership Program (HOME) and Emergency Solutions Grant Program (ESG). Currently, the City of Folsom uses CDBG funds for the Seniors Helping Seniors Home Repair Program and for the City’s proportional contribution to the regional Renter’s Helpline contract.

The current cooperation agreement will expire December 31, 2020. As such, continued participation in the SHRA administered CDBG, HOME and ESG funds requires the City to

renew the Cooperation Agreement for years 2021, 2022 and 2023. Renewal of this Agreement will provide approximately \$165,000 per year of CDBG funds for the City's Seniors Helping Seniors Home Repair Program, the Renter's Helpline contract and other eligible programs and/or projects.

POLICY / RULE

Participation in the Sacramento Housing and Redevelopment Agency's cooperation agreement requires City Council authorization.

ANALYSIS

In 1987, the City of Folsom, as a subrecipient of SHRA, applied for CDBG funds to be used for affordable housing rehabilitation loan programs and ADA upgrades. Through the years these funds have enabled the City to provide ADA upgrades and to provide over 200 rehabilitation loans to low-income residents. In addition, since 2012 the City has used CDBG funds for the Seniors Helping Seniors Program. The City of Folsom Seniors Helping Seniors Program provides Minor Repair Grants (up to \$2,500.00 per year) and Housing Rehabilitation Major Repair Grants (up to \$7,500.00 per recipient) to repair a limited number of serious health and safety hazards in owner-occupied senior housing units. Since July of 2012, approximately \$1,200,000 of CDBG funds have been utilized to assist over 243 senior households. There is no cost to the City to continue its agreement with SHRA.

FINANCIAL IMPACT

Financial support for the Seniors Helping Seniors Home Repair Program is funded with Community Development Block Grant funds and the City's Housing Trust Fund. This program's associated activities do not impact the General Fund and will not impact the City's financial forecast.

ENVIRONMENTAL REVIEW

The project is categorically exempt from environmental review under Section 15061(b)(3) of the CEQA Guidelines (Review for Exemption)

ATTACHMENTS

Resolution No. 10463 – A Resolution Authorizing the City Manager to Execute an Agreement with Sacramento Housing and Redevelopment Agency for Continued Participation in the Community Development Block Program from January 1, 2021 to December 31, 2023.

Submitted,



Pam Johns, Community Development Director

RESOLUTION NO. 10463

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY FOR CONTINUED PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FROM JANUARY 1, 2021 TO DECEMBER 31, 2023

WHEREAS, the City of Folsom remains committed to ensuring adequate and affordable housing for households in the City of Folsom; and

WHEREAS, there is a need in the City of Folsom to continue to provide financial assistance for home repairs to low-income seniors; and

WHEREAS, execution of the cooperation agreement between the City and the Sacramento Housing and Redevelopment Agency will provide financial assistance to low-income seniors in the City of Folsom and allow participation in other eligible projects and programs (such as the Renter’s Helpline) with no fiscal impact to the City; and

WHEREAS, cooperation with the Sacramento Housing and Redevelopment Agency on the CDBG Program contributes to the City of Folsom 2014-2021 Housing Element goal of providing a range of housing services for Folsom residents with special needs, including seniors and persons with disabilities;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that the City Manager is authorized to execute an agreement with Sacramento Housing and Redevelopment Agency, in a form approved by the City Attorney, for continued participation in the Community Development Block Grant Program from January 1, 2021 to December 31, 2023.

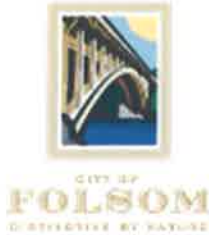
PASSED AND ADOPTED on this 9th day of June 2020, by the following roll-call vote:

- AYES: Council Member(s):
- NOES: Council Member(s):
- ABSENT: Council Member(s):
- ABSTAIN: Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK



Folsom City Council Staff Report

MEETING DATE:	6/9/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10464 - A Resolution Authorizing the City Manager to Seek Grant Funds from the United States Bureau of Reclamation for a WaterSMART Drought Response Program Drought Resiliency Project
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 10464 - A Resolution Authorizing the City Manager to Seek Grant Funds from the United States Bureau of Reclamation for a WaterSMART Drought Response Program Drought Resiliency Project.

BACKGROUND / ISSUE

The United States Department of the Interior's WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program provides a framework for Federal leadership and assistance to stretch and secure water supplies for future generations in support of the Department's priorities. Through WaterSMART, the Bureau of Reclamation (Reclamation) leverages Federal and non-Federal funding to work cooperatively with states, tribes, and local entities as they plan for and implement actions to increase water supply reliability through investments in existing infrastructure and attention to local water conflicts. Reclamation issued Funding Opportunity Announcement (FOA) No. BOR-DO-20-F002 to make funding available for drought resiliency projects.

The WaterSMART Drought Response Program supports a proactive approach to drought by providing financial assistance to water managers to develop and update comprehensive drought plans (Drought Contingency Planning) and implement projects that will build long-term resilience to drought (Drought Resiliency Projects). This FOA supports Drought Resiliency

Projects that will build long-term resilience to drought and reduce the need for emergency response actions. The objective of this FOA is to invite states, tribes, irrigation districts, water districts, and other organizations with water or power delivery authority to leverage their money and resources by cost sharing with Reclamation on Drought Resiliency Projects that will increase the reliability of water supplies; improve water management; and provide benefits for fish, wildlife, and the environment to mitigate impacts caused by drought.

POLICY / RULE

The City of Folsom's financial policy requires that the City Council approve grant applications that require an ongoing commitment of resources or staff. The proposed projects would require ongoing operations and maintenance currently provided by existing staffing resources. No additional staff or financial resources are required for the projects included within the grant application.

ANALYSIS

During the 2013-2016 drought, the City collaborated with Regional Water Purveyors through the Regional Water Authority (RWA) to develop a Regional Water Reliability Plan (RWRP) and a Regional Drought Contingency Plan (RDCP). The RDCP was a regional planning effort partially funded by Reclamation through its WaterSMART Drought Response Program. The City of Folsom was one of five partner agencies that helped develop the RDCP. Included in the analysis are water supply vulnerabilities (low reservoir storage and Central Valley Project allocation shortages) and potential mitigation actions (interties, wells, and conjunctive use).

Reclamation will provide funding for projects that build long-term resilience to drought and reduce the need for emergency response actions through this Drought Resiliency Projects Grants FOA. Drought resiliency can be defined as the capacity of a community to cope with and respond to drought. Under this FOA, Reclamation will prioritize projects supported by an existing drought planning effort and fund projects that will build resiliency to drought by:

- Increasing the reliability of water supplies.
- Improving water management.
- Providing benefits for fish and wildlife and the environment.

Under the FOA, there are existing and proposed Capital Improvement Projects (CIP) within the Environmental and Water Resources Department that improve the City's resiliency to future drought conditions. One project is included in the Fiscal Year 2019-20 CIP budget, one project is included in the Fiscal Year 2020-21 CIP budget and one project would need to be appropriated. Each project is described in more detail below.

Ashland Water Rehabilitation Project No. 1, Fiscal Year 2019-20

This project involves rehabilitating 1,800 lineal feet of existing 18-inch and 21-inch waterline through a combination of both open-cut and trenchless technologies. This section of pipe also serves as an intertie between the City and San Juan Water District. In addition, this project also

includes SCADA upgrades to the existing Rainbow Bridge pressure reducing station, as well as upgrades to other water facilities such as valves, blow-offs and air relief valves. This project meets Reclamation's criteria of increasing the reliability of water supplies through infrastructure improvements.

Water Treatment Plant Backwash and Recycled Water Capacity Project, Fiscal Year 2020-21

This project involves the replacement and upsizing of the City's water treatment plant (WTP) reclaimed backwash water pumps and pipeline. The Environmental Protection Agency allows water agencies to reuse up to 10% of the water used for backwashing based on the WTP design capacity (50 million gallons per day). Backwashing is the process used to clean the filters at the WTP. Currently, the City can only reuse 4% of backwash water capacity due to the existing pumps and piping, which have limited capacity. Only being able to reuse 4% of the water limits the City's ability to backwashing efficiently. Additionally, increasing the recycled water capacity greatly reduces the City's risk for the potential to overflow the recycled backwash pond, which would flow into the local storm drain system. This project meets Reclamation's criteria of increasing the reliability of water supplies through infrastructure improvements.

Empire Ranch Non-Potable Water Well

One option to address these shortages is through the development of a supplemental groundwater resource either within the City or elsewhere. The City received Prop 84 Local Groundwater Assistance Fund Grant in April 2014 from the Department of Water Resources. The purpose of this study was to implement some recommendations from earlier groundwater studies and expand the understanding and available data for the groundwater resource located in northeastern Folsom. The City has continued to increase the understanding of their groundwater resource that could be a valuable supplemental supply in the City's overall integrated water supply system. The groundwater resource could provide non-potable water to augment the treated surface water consumed by the City of Folsom's non-potable/recycled water "purple pipe."

The City developed the Humbug Well in August 2015, across the street from the Empire Ranch Golf Course. Typically, during the months of April through September in a given calendar year, the Empire Ranch Golf Course will receive treated water for golf course irrigation purposes. In the last ten years, this amount has averaged 90 acre-feet per year. The remaining water supply for the golf course is provided by private wells located on golf course property. In an effort to supplement the need for treated water to irrigate the golf course, the installation of a new well and the associated piping could provide groundwater in lieu of surface water.

Approximately 1,100 lineal feet of six or eight inch pipe would convey the groundwater from the pump to the existing non-potable purple pipe or to the non-potable pipeline connected to the golf course. This project could potentially be Phase 1 of a two-phase project. A second location, the East Natoma well, will be monitored to see if there are any water level impacts to this proposed well location. If there are not any water levels impacts due to the installation and

operation of the Humbug Well, the City could proceed to a phase 2 and the installation of a well at this location, which is right behind Mexquite on East Natoma. This project meets Reclamation's criteria of constructing wells to provide back-up water supplies during times of drought.

FISCAL IMPACT

To fund the proposed projects, is estimated at an overall cost of \$2,270,000, the City desires to apply for a grant for up to \$750,000 from Reclamation. The remaining project costs \$1,520,000, will be funded from the Water Impact Fund (Fund 456) and the Water Operating Fund (Fund 520). The expected award date for the grant is late 2020 or early 2021 based on the information provided in the FOA and projects should be completed by September 2023. Proposed project costs are included in the Fiscal Year 2019-20 Capital Improvement Plan budget and in the Fiscal Year 2020-21 Capital Improvement Plan budget. The FOA requires an applicant cost share of at least 50 percent of the total project costs.

ENVIRONMENTAL REVIEW

The Ashland Rehabilitation Project No. 1 and the Water Treatment Plant Backwash and Recycled Water Capacity Project are considered rehabilitation projects of existing infrastructure; and therefore, are categorically exempt from environmental review under the California Environmental Quality Act as noted in Title 14 – California Code of Regulations, Chapter 3 – Guidelines for Implementation of the California Environmental Quality Act, Article 19 – Categorical Exemptions, Section 15302 – Replacement or Reconstruction.

The Empire Ranch well installation project will include its own environmental analysis under CEQA and will be brought back to City Council at a future date.

ATTACHMENTS

Resolution No. 10464 - A Resolution Authorizing the City Manager to Seek Grant Funds from the United States Bureau of Reclamation for a WaterSMART Drought Response Program Drought Resiliency Project

Submitted,

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 10464

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SEEK GRANT FUNDS FROM THE UNITED STATES BUREAU OF RECLAMATION FOR A WATERSMART DROUGHT RESPONSE PROGRAM DROUGHT RESILIENCY PROJECT

WHEREAS, the City is eligible to receive up to \$750,000 in federal grant funds through the U.S. Department of the Interior, Bureau of Reclamation WaterSMART Drought Response Program: Drought Resiliency Project for Fiscal Year 2021; and

WHEREAS, the City identifies projects that are critical to ensuring the delivery of adequate and high-quality water supply to all residents and businesses; and

WHEREAS, the City collaborated with four other water agencies and the Regional Water Authority to develop a Regional Drought Contingency Plan; and

WHEREAS, the City desires to apply for \$750,000 from Reclamation to improve water supply reliability and drought resiliency; and

WHEREAS, the City of Folsom will comply with federal statutes, regulations, policies, guidelines and requirements for application, acceptance and use of federal funds for these federally assisted projects; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to seek grant funds from the United States Bureau of Reclamation for a WaterSMART Drought Response Program Drought Resiliency Project.

PASSED AND ADOPTED this 9th day of June 2020, by the following roll-call vote:

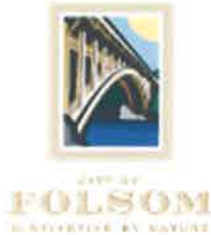
- AYES:** Council Member(s):
- NOES:** Council Member(s):
- ABSENT:** Council Member(s):
- ABSTAIN:** Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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Folsom City Council Staff Report



MEETING DATE:	6/9/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10466 – A Resolution Electing the Population and Inflation Factors and Establishing the Fiscal Year 2020-21 Appropriations Limit
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

It is recommended that the City Council adopt Resolution No. 10466 – A Resolution Electing the Population and Inflation Factors and Establishing the FY 2020-21 Appropriations Limit.

BACKGROUND / ISSUE

The Gann Spending Limitation Initiative (Article XIII B of the State Constitution) adopted as Proposition 4 in June 1979 (and subsequently modified by Proposition 111 in June 1990), requires the City to annually adopt a resolution setting an appropriations limit for the upcoming fiscal year. The Gann Spending Limitation was intended to provide citizen control of government spending and taxation.

The City Manager’s Fiscal Year 2020-21 Operating Budget and Capital Improvement Plan (CIP) was adopted by the City Council on May 26, 2020.

POLICY / RULE

California Government Code, Section 7910 (a) “each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit and make other necessary determinations for the following fiscal year pursuant to Article XIII B of the California Constitution at a regularly scheduled meeting or noticed special meeting...”

California Constitution, Article XIII B, Sec. 1. “The total annual appropriations subject to limitation of the State and of each local government shall not exceed the appropriations limit

of the entity of government for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided in this article.

Folsom Municipal Code, Section 3.02.030, Budget

“An Annual Budget shall be prepared by the City Manager, with the assistance of the Finance Director. . . . (G) The City Council shall adopt the annual budget by Resolution by fund and program by affirmative vote of at least three members, on or before the last working day of the last month of the current fiscal year. If the City Council fails to adopt the budget by the last working day of the current fiscal year, the budget as presented by the City Manager shall be deemed adopted.”


ANALYSIS

Information from the California Department of Finance regarding population and per capita personal income has now been received and the calculation for the Gann Spending Limitation is attached. The establishment of the 2020-21 Appropriations Limit (“Gann Limit”) is necessary to comply with Article XIII B of the State Constitution. The Gann Limit limits the amount of revenue classified as proceeds of taxes that can be appropriated in any fiscal year by a government entity. Certain exclusions are allowed including transfers, capital outlay and payments for debt service. The maximum allowable appropriation of revenues subject to limitations for Fiscal Year 2020-21 is \$103,659,868, and the FY 2020-21 Budget with the exclusions, referenced above, is within this limit. This maximum amount increases or decreases each year depending on the percentage change in the per capita personal income (3.73%) and the percentage change in population (3.05%). The California Department of Finance has estimated the total population for the City of Folsom as of January 1, 2020 as 81,610, and after deducting prison population the estimated population is 76,065. The formula for calculating the limits was based on the Fiscal Year 1978-79 “base year” revenues. For Fiscal Year 2020-21 the budgeted revenues subject to limitation total \$65,729,381, which is \$37,930,487 less than the maximum allowed.

ATTACHMENTS

1. Resolution No. 10466 – A Resolution Electing the Population and Inflation Factors and Establishing the FY 2020-21 Appropriations Limit
2. Gann Appropriations Limit for FY 2020-21

Submitted,



 Stacey Tamagni, Finance Director

ATTACHMENT 1

RESOLUTION NO. 10466

A RESOLUTION ELECTING THE POPULATION AND INFLATION FACTORS AND ESTABLISHING THE FISCAL YEAR 2020-2021 APPROPRIATIONS LIMIT

WHEREAS, Section 3.02.030 of the Folsom Municipal Code states “An Annual Budget shall be prepared by the City Manager, with the assistance of the Finance Director . . .”; and

WHEREAS, the City Council is required by Government code 7910 to establish its appropriations limit by resolution and approve the appropriate inflation and population factors used in the calculation of the limit, and;

WHEREAS, on the 26th day of May 2020, the City Council approved the City Manager’s Fiscal Year 2020-21 Operating Budget and Capital Improvement Plan, and;

WHEREAS, the Budget sets forth the “Proposition 4 Appropriations Limitation Schedule”, computed using the City population growth factor of 3.05% and the California Per Capita personal income change factor of 3.73% as determined by the State of California, Department of Finance, for the Fiscal Year 2020-21 of the City of Folsom; and

WHEREAS, the documentation used in the determination of the appropriations limit has been available to the public in the City Clerk’s Office for fifteen days prior to the meeting; and

WHEREAS, the City of Folsom’s appropriations limit for the fiscal year 2020-21 shall be \$103,659,868.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that the Gann Appropriations Limit is approved.

PASSED AND ADOPTED this 9th day of June 2020, by the following roll-call vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSTAIN: Council Member(s):
ABSENT: Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

RESOURCES

PROCEEDS OF TAXES

Property Taxes	\$ 29,884,989
Sales Taxes	22,784,063
Special Taxes	2,950,000
State Subventions	8,325,005
Franchise Taxes	826,000
Business Licenses	790,916

TOTAL PROCEEDS OF TAXES

\$ 65,560,973

Interest Income

168,408

TOTAL SUBJECT TO LIMITATIONS

\$ 65,729,381

NON-PROCEEDS OF TAXES

TOTAL NON-PROCEEDS OF ALL TAXES

126,765,109

TOTAL ALL RESOURCES

\$ 192,494,490

APPROPRIATIONS

SUBJECT TO LIMITATIONS:

65,560,973

168,408

65,729,381

168,408

\$ 65,729,381

NOT SUBJECT TO LIMITATIONS:

\$ 16,240,783

12,044,170

10,938,101

46,420,394

22,516,693

18,604,968

-

126,765,109

\$ 192,494,490

General Fund not financed
with proceeds of taxes
Special Revenue Funds
Capital Project Funds
Enterprise Funds
Internal Service Funds
Trust Funds
Miscellaneous General Funds

Maximum allowable appropriation subject to limitations 2020-2021 fiscal year

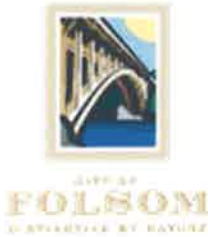
\$103,659,868

Less: Total appropriation subject to limitation for 2020-2021 fiscal year

(65,729,381)

BALANCE UNDER ARTICLE XIIIB LIMIT:

\$ 37,930,487



Folsom City Council Staff Report

MEETING DATE:	6/9/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10467 – A Resolution Approving an Additional Appropriation in FY 2020-21 to be used for Park Renovation
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

It is recommended the City Council adopt Resolution No. 10467 approving an additional appropriation in FY 2020-21 to be used for Park Renovation.

BACKGROUND / ISSUE

On May 26, 2020 the City Council adopted the FY 2020-21 Operating Budget and Capital Improvement Plan. During the discussion the City Council requested \$500,000 of current fund balance in the Park Dedication Fund (Fund 240) be used for renovations in city parks.

POLICY / RULE

Folsom Municipal Code, Section 5.05 Budgeting and Accounting

Section 5.05 of the Folsom Municipal Code paragraph H, states in part “Supplemental Appropriations ... Any such supplemental appropriation shall be made for the fiscal year by resolution up to the amount of any excess”.

ANALYSIS

The Park Dedication Fund (Fund 240) receives revenue from development in order to be used for the development of new or rehabilitation of existing neighborhood or community parks or recreation facilities within the City. The collection of and use of these funds is governed by California Government Code, Section 66477 and is commonly referred to as the “Quimby Act”.

FINANCIAL IMPACT

As of May 28, 2020, the Park Dedication Fund has a cash balance of \$2.54 million and in FY 2020-21 there is \$198,783 currently appropriated, the majority of which is for the payment of the current lease for turf at Kemp Park. There is also an additional \$1.17 million currently approved in the Capital Improvement Plan for Davies Park and the Sports Complex. In FY 2020-21 there would be approximately \$1.17 million of the cash balance available to be appropriated. At the May 26, 2020 City Council meeting, the City Council requested an additional \$500,000 be appropriated to be used for Park Renovations. This resolution would approve this additional appropriation to be included in the Park Dedication Fund (Fund 240) in the 2020-21 Fiscal Year.

ATTACHMENTS

Resolution No. 10467 – A Resolution Approving the Additional Appropriation in FY 2020-21 to be used for Park Renovation.

Submitted,



Stacey Tamagni, Finance Director

RESOLUTION NO. 10467

**A RESOLUTION APPROVING AN ADDITIONAL APPROPRIATION IN FY 2020-21
TO BE USED FOR PARK RENOVATION**

WHEREAS, staff has identified projects in various parks in the City in need of renovation; and

WHEREAS, funds received from development as park dedication and commonly referred to as “Quimby” funds are available to be used for park renovation; and

WHEREAS, on May 26, 2020, the City Council requested \$500,000 be used for park renovation; and

WHEREAS, in order to begin the renovations an additional appropriation will be required; and

WHEREAS, there are sufficient funds available in the Park Deduction Fund (Fund 240) for this appropriation.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the Finance Director to appropriate an additional \$500,000 to the Park Dedication Fund (Fund 240) in FY 2020-21 to be used for park renovation.

PASSED AND ADOPTED this 9th day of June, 2020, by the following roll-call vote:

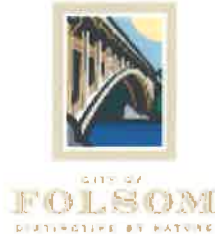
- AYES:** Council Member(s):
- NOES:** Council Member(s):
- ABSENT:** Council Member(s):
- ABSTAIN:** Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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Folsom City Council Staff Report

MEETING DATE:	6/9/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10468 – A Resolution Approving an Acquisition and Shortfall Agreement for the Community Facilities District No. 23 Improvement Area No. 1 (Mangini Ranch Phase 2)
FROM:	Community Development Department

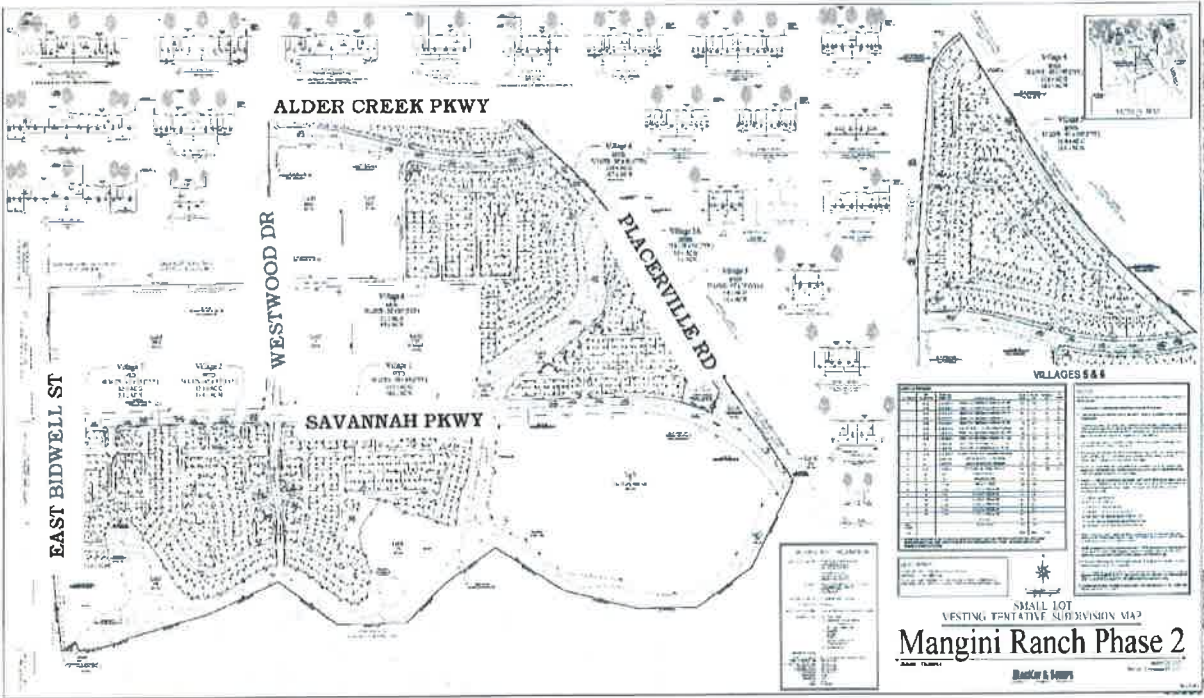
RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council move to adopt Resolution No. 10468 – A Resolution Approving an Acquisition and Shortfall Agreement for Community Facilities District No. 23 Improvement Area No. 1 (Mangini Ranch Phase 2)

BACKGROUND / ISSUE

On January 28, 2014, the City Council adopted Resolution No. 9298 approving the Folsom Plan Area Specific Plan (FPASP) Public Facilities Financing Plan (PFFP). The PFFP is an \$877 million plan that includes the necessary backbone infrastructure and public facility requirements, presents a comprehensive financing strategy and sets forth the estimated time horizon for the future development of the Folsom Plan Area (FPA).

The Vesting Tentative Subdivision Map for the Mangini Ranch Phase 2 subdivision in the FPA was approved by the City Council on February 13, 2018. The Mangini Ranch Phase 2 subdivision is included in the Folsom Plan Area Specific Plan (FPASP) and is planned for 545 single family residential units in eight (8) separate villages, 356 multi-family residential units on three (3) separate parcels, an elementary school site, two (2) park sites and various open space parcels. The Mangini Ranch Phase 2 subdivision is generally located on the east side of East Bidwell Street, west of Placerville Road, south of US HWY 50 and north of the Mangini Ranch Phase 1 Subdivision in the FPASP (See below). The Mangini Ranch Phase 2 subdivision is required to construct various on-site and off-site roadway and utility infrastructure and other public improvements necessary to serve the proposed development.



On May 26, 2020, the City Council adopted Resolution No. 10435, a resolution approving the formation of Community Facilities District No. 23 (CFD No. 23), providing for the levy of special taxes therein, and adopted Resolution No. 10436, a resolution deeming it necessary to incur bond indebtedness in and for the City of Folsom CFD No. 23 Improvement Area No. 1. Special tax revenues generated from CFD No. 23 Improvement Area No. 1 will fund a portion of or in some cases all of the Mangini Ranch Phase 2 subdivision's share of the backbone infrastructure and public facilities and improvements, related environmental mitigation obligations and design and engineering costs.

Grading and construction of the first phase of the infrastructure and other various public improvements necessary to serve the Mangini Ranch Phase 2 subdivision commenced in the Spring of 2019. The roadway and utility infrastructure and other public improvements for the Mangini Ranch Phase 2 subdivision includes the construction of portions of Old Ranch Way, Westwood Drive, Savannah Parkway and Alder Creek Parkway, various subdivision village infrastructure (i.e. Mangini Ranch Phase 2, Village Nos. 4, 7 & 8) and an on-site storm drainage system and a detention/water quality/hydro-modification basin. The East Carpenter Improvement Company, LLC, (developer) intends on completing the necessary roadway and utility infrastructure and other various public improvements to serve the first phase of development of the Mangini Ranch Phase 2 subdivision in the Spring of 2021.

POLICY / RULE

Chapter 5 of the Folsom Plan Area (FPA) Public Facilities Financing Plan authorizes the formation of CFD's to finance the construction, acquisition and servicing of backbone infrastructure and other public improvements

Section 2.5.3 of the First Amended and restated Tier 1 Development Agreement authorizes the formation of infrastructure CFD's

Resolution No. 9282 – A Resolution of the City Council of the City of Folsom Approving Goals and Policies for Community Facilities Districts

Mello-Roos Community Facilities Act of 1982

ANALYSIS

Approval of an Acquisition and Shortfall Agreement (Agreement) by the City Council is required in order to obtain reimbursement from proceeds from the sale of bonds for CFD No. 23 Improvement Area No. 1 for eligible roadway and utility infrastructure and public improvements. It is anticipated that the first bond sale for CFD No. 23 Improvement Area No. 1 to generate bond proceeds for reimbursement will occur in the Summer/Fall of 2020. The developer and the City are currently working together to achieve this goal.

The Agreement establishes the process required for the City to acquire the roadway and utility infrastructure and other various public improvements and the developer's responsibility for funding any construction cost shortfall. A summary of the roadway and utility infrastructure and various public improvements and facilities to be funded and acquired by the City is shown in Exhibit A of the attached Acquisition and Shortfall Agreement (See Attachment 2). The roadway and utility infrastructure and other public improvements authorized to be acquired with CFD No. 23 Improvement Area No. 1 bond proceeds include roadway and transportation improvements (Old Ranch Way, Westwood Drive, Savannah Parkway and Alder Creek Parkway), various subdivision in-tract improvements (Villages 1 through 8), various water (potable and non-potable), sanitary sewer, and storm drainage mains as well as a detention and water quality/hydro-modification basin and landscaping and pedestrian/bike trail improvements. The Agreement requires the developer to complete the required roadway and utility infrastructure and other public improvements to the satisfaction of the City and meet specified thresholds in accordance with the Agreement prior to any reimbursement by the City.

FINANCIAL IMPACT

There is no direct financial impact on the City of Folsom. The CFD No. 23 Improvement Area No. 1 bonded indebtedness and expenses are solely the responsibility of CFD No. 23 Improvement Area No 1.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review pursuant to Section 15061 (b)(3) of the CEQA Guidelines. Environmental review for the backbone infrastructure subject to this Acquisition and Shortfall Agreement was completed in the FPASP EIR dated June 14, 2011.

ATTACHMENTS

1. Resolution No. 10468 – A Resolution of the City Council Approving an Acquisition and Shortfall Agreement for Community Facilities District No. 23 Improvement Area No. 1 (Mangini Ranch Phase 2)
2. Acquisition and Shortfall Agreement

Submitted,

Pam Johns, Community Development Director

ATTACHMENT 1
RESOLUTION

RESOLUTION NO. 10468

**A RESOLUTION APPROVING AN ACQUISITION AND SHORTFALL AGREEMENT
FOR COMMUNITY FACILITIES DISTRICT NO. 23 IMPROVEMENT AREA NO. 1
(MANGINI RANCH PHASE 2)**

WHEREAS, the City Council has adopted Resolution No. 10435 declaring its intention to establish a community facilities district and to levy a special tax to pay for certain public improvements and public services in and for such community facilities district; and

WHEREAS, the City Council has adopted Resolution No. 10436 declaring the necessity to incur a bonded indebtedness to finance certain public improvements in and for the City of Folsom Community Facilities District No. 23 Improvement Area No. 1 (Mangini Ranch Phase 2); and

WHEREAS, staff has prepared the attached Acquisition and Shortfall Agreement for the proposed eligible public improvements of Community Facilities District No. 23 Improvement Area No. 1 (Mangini Ranch Phase 2),

NOW, THEREFORE, BE IT RESOLVED that the Acquisition and Shortfall Agreement for Community Facilities District No. 23 Improvement Area No. 1 (Mangini Ranch Phase 2) is hereby approved, and the City Manager is authorized to execute said Agreement in a form approved by the City Attorney.

PASSED AND ADOPTED this 9th day of June 2020, by the following roll-call vote:

AYES: Council Member(s)

NOES: Council Member(s)

ABSENT: Council Member(s)

ABSTAIN: Council Member(s)

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2
ACQUISITION & SHORTFALL AGREEMENT

**COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 1
ACQUISITION AND SHORTFALL AGREEMENT**

BY AND BETWEEN

THE CITY OF FOLSOM

AND

EAST CARPENTER IMPROVEMENT COMPANY, LLC,

a California Limited Liability Company,

Dated as of _____, 2020

ACQUISITION AND SHORTFALL AGREEMENT

**City of Folsom Community Facilities District No. 23
(Folsom Ranch) Improvement Area No. 1**

Recitals

A. The parties to this Acquisition and Shortfall Agreement (the "Agreement") are the CITY OF FOLSOM, (the "City"), and EAST CARPENTER IMPROVEMENT COMPANY, LLC, a California limited liability company, ("Developer").

B. The effective date of this Agreement is _____, 2020 ("Effective Date").

C. The Developer intends to construct certain road, water, sewer and other public capital improvements, as more particularly described in Exhibit A attached hereto (collectively, the "Acquisition Improvements") to serve the development of real property owned by Developer within the Folsom Plan Area and within the boundaries of the District described below. The public capital improvements are to be owned and operated by the City, and the financing is to be accomplished, in part, with funding to be provided by the District under and pursuant to the Mello-Roos Community Facilities Act of 1982 – California Government Code Sections 53311 and following (the "Act").

D. On May 26, 2020, the City adopted Resolution No. _____ to form City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 1 (the "District" or "CFD 23") within the Folsom Plan Area to finance, among other authorized facilities, the Acquisition Improvements and, on the same date, a landowner election was conducted in which all of the votes were cast unanimously in favor of forming the District.

E. The District intends to levy special taxes and cause the Authority to issue CFD 23 Bonds to fund, among other things, a portion of the costs of the Acquisition Improvements. The proceeds of the District special taxes and CFD 23 Bonds, together with interest earned thereon, are referred to herein as the "Available CFD 23 Proceeds." The Available CFD 23 Proceeds shall include the amount of (i) special taxes, if any, collected for a period of twenty (20) years beginning with the Fiscal Year following the Fiscal Year in which: (a) the first building permit is issued in Improvement Area No. 1, or (b) the first series of bonds or other debt is issued in Improvement Area No. 1, whichever occurs first, available to fund the direct payment for the acquisition and/or construction of Acquisition Improvements and not related to or required to fund debt service or Administrative Expenses, as defined in and determined in accordance with the Rate and Method of Apportionment for the District (the "Available Pay-Go Proceeds"), and (ii) the net acquisition proceeds generated by all CFD 23, Improvement Area No.1 Bond sale(s) issued by the Authority and secured by CFD 23, Improvement Area No. 1 special taxes.

F. Attached hereto as Exhibit A is a description of the Acquisition Improvements and attached hereto as Exhibit B is a description of certain authorized discrete and usable portions of the Acquisition Improvements that may be acquired from Developer pursuant to Section 53313.51 of the Act. It is understood that the Available CFD 23 Proceeds may not be

sufficient to reimburse the Developer for all of the costs and expenses of the Acquisition Improvements contemplated hereunder, or otherwise finance said improvements. Accordingly, Developer understands and acknowledges that any shortfall in the Available Amount toward the construction and completion of the Acquisition Improvements is the Developer's sole responsibility, and that the Acquisition Price will be paid solely from the Available CFD 23 Proceeds, or from any proceeds that may become available for such payment through the SPIF Program (as defined herein) for an Acquisition Improvement included in the SPIF Program.

G. The parties anticipate that, upon completion of the Acquisition Improvements and subject to the terms and conditions of this Agreement and final acceptance by the City Engineer in writing, the City will acquire the completed Acquisition Improvements.

H. Any and all monetary obligations of the City arising out of this Agreement are the special and limited obligations of the City payable only from the Available CFD 23 Proceeds, and no other funds whatsoever of the District, the Authority, or the City shall be obligated therefor under any circumstances under this Agreement.

I. Attached to this Agreement are Exhibit A (the Acquisition Improvements), Exhibit B (Eligible Portions of Acquisition Improvements, including related Design Costs), Exhibit C (form of Requisition), and Exhibit D (Insurance Requirements), all of which are incorporated into this Agreement for all purposes.

Agreement

ARTICLE I

DEFINITIONS; COMMUNITY FACILITIES DISTRICT FORMATION AND FINANCING PLAN

Section 1.01. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

“Acceptable Title” means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except those items which are reasonably determined by the City Engineer, upon consultation with the City Attorney, not to interfere with the intended use and therefore are not required to be cleared from the title.

“Acquisition and Construction Fund” means the “Community Facilities District No. 23 Improvement Area No. 1 Acquisition and Construction Fund” established by the District for the purpose of paying the Acquisition Prices of the Acquisition Improvements.

“Acquisition Improvements” means the Acquisition Improvements described in Exhibit A hereto.

“Acquisition Price” means the total amount eligible to be paid to the Developer upon acquisition of the Acquisition Improvements as provided in Section 2.03, including any additional Available CFD 23 Proceeds collected thereafter that are eligible to be paid to

Developer, but not to exceed the Actual Cost of the Acquisition Improvement, together with the CCI adjustment thereon until paid in full as provided herein.

“Actual Cost” means the total cost of the Acquisition Improvements, or Eligible Portions thereof, as documented by the Developer to the satisfaction of the City and as certified by the City Engineer in an Actual Cost Certificate including, without limitation, (a) the Developer’s cost of constructing the Acquisition Improvements including grading, labor, material and equipment costs, (b) the Developer’s cost of designing and engineering the Acquisition Improvements, preparing the plans and specifications and bid documents for the Acquisition Improvements, and the costs of inspection, materials testing and construction staking for the Acquisition Improvements, (c) the Developer’s cost of any performance, payment and maintenance bonds and insurance, including title insurance, required hereby for the Acquisition Improvements, (d) the Developer’s cost of any real property or interest therein that is either necessary for the construction of the Acquisition Improvements (e.g., temporary construction easements, haul roads, etc.), or is required to be conveyed with such Acquisition Improvement in order to convey Acceptable Title thereto to the City or its designee, (e) the Developer’s cost of environmental evaluation or mitigation required for the Acquisition Improvements, (f) the amount of any fees actually paid by the Developer to the City and any other governmental agencies in order to obtain permits, licenses or other necessary governmental approvals and reviews for the Acquisition Improvements, (g) the Developer’s cost for construction and project management, administration and supervision services for the Acquisition Improvements, (h) the Developer’s cost for professional services related to the Acquisition Improvements, including engineering, accounting, legal, financial, appraisal and similar professional services, and (i) the costs of construction financing incurred by the Developer with respect to the Acquisition Improvements.

“Actual Cost Certificate” means a certificate prepared by the Developer detailing the Actual Cost of the Acquisition Improvements, or Eligible Portions thereof, to be acquired hereunder, as may be revised by the City Engineer pursuant to Section 2.03.

“Agreement” means this Acquisition Agreement, dated as of [_____], 2020.

“Authority” means the Folsom Ranch Financing Authority.

“Available CFD 23 Proceeds” shall have the meaning assigned to the term in Recital E.

“Available Pay-Go Proceeds” shall have the meaning assigned to the term in Recital E.

“CCI” means the construction cost index reported by the Engineering News Record used by the City to adjust construction costs, currently based on the average of the change in the San Francisco Construction Cost Index and the change in the 20-city Construction Cost Index for the 12-month period ending in May, or comparable index of annual construction costs for public capital improvements used by the City.

“CFD Administrator” means the administrator of the District appointed by the City.

“CFD 23 Bonds” means bonds or other indebtedness issued by the Authority that are to be repaid with District Special Taxes.

“City” means City of Folsom.

“City Engineer” means the City Engineer of the City or his/her designee who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

“Code” means the Government Code of the State of California.

“Construction Lender” means Goodfellow Bros., Inc., a Washington corporation, its successors and assigns.

“Developer” means EAST CARPENTER IMPROVEMENT COMPANY, LLC, a California limited liability company, their successors and assigns.

“Director” means the Director of the City’s Community Development Department or his/her designee.

“Disbursement Request Form” means a requisition for payment of funds from the Acquisition and Construction Fund for an Acquisition Improvement, or an Eligible Portion thereof, in substantially the form contained in Exhibit C hereto.

“District” shall have the meaning assigned to the term in Recital D.

“Eligible Portions” means the eligible, discrete and usable portions of the Acquisition Improvements available for acquisition and payment of Installment Payments listed and described in Exhibit B hereto.

“Installment Payment” means an amount approved by the City Engineer as partial payment toward the Actual Cost of an Eligible Portion as shown in Exhibit B-Description of Eligible Portions of Acquisition Improvements.

“Project” means the Developer’s development of the property in the District, including the design and construction of the Acquisition Improvements and the other public and private improvements to be constructed by the Developer within the District.

“Special Taxes” means annual special taxes, and prepayments thereof, authorized by and to be levied by the District.

“Title Documents” means, for the Acquisition Improvements acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements), or an irrevocable offer of dedication of such real property with interests therein necessary to the operation, maintenance, rehabilitation and improvement by the City of the Acquisition Improvements (including, if necessary, easements for ingress and egress) and a bill of sale or similar instrument evidencing transfer of title to the Acquisition Improvements (other than said real property interests) to the City, where applicable.

Section 1.02. Establishment of Community Facilities District. The Community Facilities District was established by the City on May 26, 2020, and through the successful landowner election held that same day, the District is authorized to levy the Special Taxes and to

issue the CFD 23 Bonds to finance the Acquisition Prices for the Acquisition Improvements. Developer and the City agree to reasonably cooperate with one another and with the District in the completion of the financing through the issuance by the Authority of the CFD 23 Bonds in one or more series and/or the collection of Special Taxes to generate Available Pay-Go Proceeds.

Section 1.03. Deposit and Use of Available CFD 23 Proceeds.

(a) Developer Pay-Go Proceeds. Available Pay-Go Proceeds collected by the District shall be deposited in the Acquisition and Construction Fund established by the District, and may be disbursed to pay the Acquisition Price and Installment Payments of Acquisition Improvements in accordance with Article II of this Agreement. All funds in the Acquisition and Construction Fund shall be considered a portion of the Available CFD 23 Proceeds.

(b) CFD 23 Bond Series. Upon the delivery of each issue or issues of CFD 23 Bonds, the net proceeds thereof shall be deposited into the Acquisition and Construction Fund for the purpose of holding all funds for the Acquisition Improvements. All earnings on amounts in the Acquisition and Construction Fund shall remain in the Acquisition and Construction Fund for use as provided herein. Money in the Acquisition and Construction Fund shall be available to respond to delivery of a Disbursement Request Form and to be paid to the Developer or its designee to pay the Acquisition Price and Installment Payments of the Acquisition Improvements, or portions thereof, as specified in Article II hereof.

(c) Priority Use of Available CFD 23 Proceeds. The Available CFD 23 Proceeds will be used primarily to fund the costs of the Acquisition Improvements, and then to fund the costs of any other developer improvements advanced and/or constructed by a developer within the Plan Area that are authorized for acquisition by the District. The Available CFD 23 Proceeds shall be used first to fund any of the Acquisition Improvements, in any order, as and when each Acquisition Improvement or Eligible Portion is completed and payment of the Acquisition Price or Installment Payment can be paid to Developer as provided herein. Upon completion of all of the Acquisition Improvements hereunder and payment of the Acquisition Prices therefor, any remaining funds in the Acquisition and Construction Fund (less any amount determined by the District as necessary to reserve for claims against the account) shall be (i) applied or reserved for application to pay the costs of any other authorized developer improvements and, to the extent not so used, (ii) shall be applied by the District to call Bonds or to reduce Special Taxes as the District shall determine.

Section 1.04. No Effect of CFD Funding on SPIF Payments. If and to the extent any of the Acquisition Improvements are also included for financing within the Specific Plan Infrastructure Fee Program (the "SPIF Program"), any payments hereunder from Available CFD 23 Proceeds to Developer for such Acquisition Improvements shall not affect or limit Developer's ability to obtain and apply fee credits against and/or fee reimbursements from the SPIF Fee Program in consideration of its construction of the Acquisition Improvements that are included for financing in the SPIF Program. Developer's right to any such fee credits and/or fee reimbursements from the SPIF Program would be subject to and contingent upon Developer's entering into and complying with the requirements of a separate SPIF Fee Reimbursement Agreement to be entered into between the City and Developer for the Acquisition Agreements that are included for financing in the SPIF Program.

Section 1.05. No District or City Liability; City Discretion; No Effect on Other Agreements. In no event shall any actual or alleged act by the District or the City or any actual or alleged omission, negligence, or failure to act by the District or the City with respect to the performance of its obligations hereunder subject the District or the City to any liability therefor, whether monetary or otherwise (except only as to pay any amounts available and payable hereunder from Available CFD 23 Proceeds). Further, nothing in this Agreement shall be construed as affecting the Developer's or the City's duty to perform their respective obligations under any other agreements between the parties hereto, or the City's enforcement of applicable laws, ordinances, rules, policies and regulations pertaining to public improvement standards and/or specifications, as well as land use and subdivision requirements related to the Project, all of which are and shall remain independent of the Developer's and the City's rights and obligations under this Agreement.

ARTICLE II

DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

Section 2.01. Letting and Administering Design Contracts. The Developer has awarded and administered, or will award and administer, or through the City has advanced funds for the engineering design contracts for the Acquisition Improvements to be acquired from Developer. All eligible expenditures of the Developer for design engineering and related costs in connection with the Acquisition Improvements (whether as an advance to the City or directly to the design consultant) incurred prior to the Effective Date, as identified on Exhibit B attached hereto, shall be reimbursed at the time of the first Bond sale, and, thereafter, all additional, eligible design engineering and related costs shall be reimbursed at the time of acquisition of the Acquisition Improvements. The Developer shall be entitled to reimbursement for any design costs of the Acquisition Improvements only out of the Acquisition Price as provided in Section 2.03 and shall not be entitled to any payment for design costs independent of the acquisition of Acquisition Improvements.

Section 2.02. Letting and Administration of Construction Contracts; Indemnification. Developer agrees to comply with City requirements with respect to contracting for the construction of the Acquisition Improvements. The Developer agrees that all the contracts shall call for compliance with all provisions of the prevailing wage law for "public works" as required by the Labor Code of the State of California and shall require all work to be performed by licensed general contractors. The Developer's indemnification obligation set forth in Section 3.01 of this Agreement shall also apply to any alleged failure to comply with the requirements of this Section, and/or applicable State laws regarding public contracting and prevailing wage laws applicable to public works.

(a) Plans and Specifications. The Developer represents and covenants that it has obtained or will obtain approval of the plans and specifications for the Acquisition Improvements from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained, prior to construction. The Developer further covenants that the Acquisition Improvements will be constructed in full compliance with such approved plans and specifications and any change orders thereto, as approved in the same

manner, and the adopted City Standard Construction Specifications and Improvement Standards. The Developer shall submit copies of all plans and specifications to the Director or his/her designee.

(b) CEQA. The Developer covenants that it has complied or will comply with the California Environmental Quality Act in conjunction with the construction of the Acquisition Improvements and their conveyance pursuant to the terms set forth herein.

(c) Inspection. The Developer covenants that the City, and other public entities or public utilities to whom any of the Acquisition Improvements will be conveyed, will be permitted to inspect the Acquisition Improvements using the same standards which would be applied to a public works project.

(d) Insurance. With respect to the construction of the Acquisition Improvements, the Developer shall furnish to City a certificate or certificates of insurance, with an insurance carrier acceptable to City and in a form satisfactory to the City Attorney, evidencing insurance coverage consistent with Exhibit D attached hereto.

(e) Performance and Payment Bonds. Except as otherwise provided herein, the Developer covenants to comply with all applicable performance, labor and materials and completion bond requirements of the City with respect to the construction of the Acquisition Improvements. To the extent bonds are required, Developer further covenants and agrees to execute and deliver or otherwise cause to be provided to City, prior to construction and in forms acceptable to the City Attorney, a faithful Performance Bond in the amount of 100% of the estimated cost of the Acquisition Improvements and a Labor and Materials Bond in the amount of 100% of the estimated cost of the Acquisition Improvements, from a bonding company with an A.M. Best rating of at least "A-" or its equivalent. Such bonds shall only be released upon full completion of the Acquisition Improvements, the City's written acceptance of the Acquisition Improvements, and payment of all persons furnishing labor and materials.

Section 2.03. Sale of Acquisition Improvements. The Developer agrees to sell to the City each of the Acquisition Improvements to be constructed by Developer (including any rights-of-way or other easements necessary for the Acquisition Improvements, to the extent not already owned by the City), when each of the Acquisition Improvements is completed to the satisfaction of the City and accepted by the City Engineer in writing for an amount not to exceed the lesser of (i) the Available CFD 23 Proceeds and (ii) the Actual Cost of the Acquisition Improvement(s), increased from and after the completion of the Acquisition Improvements until paid in full based on the annual increase, if any, in the CCI from such completion to date of payment (the "Acquisition Price"). Notwithstanding any provision to the contrary, the Developer understands that the Available CFD 23 Proceeds for the acquisition of the Acquisition Improvements may not be sufficient to reimburse the Developer for all of the costs and expenses constructing the Acquisition Improvements, or otherwise finance said improvements. Accordingly, Developer acknowledges and agrees that any shortfall in the amount of Available CFD 23 Proceeds for the construction and completion of the Acquisition Improvements is the Developer's sole responsibility, and that the Acquisition Price to be paid pursuant to this Agreement will be paid solely from the Available CFD 23 Proceeds, or from any proceeds that may become available for

such payment through the SPIF Program for an Acquisition Improvement included in the SPIF Program.

Exhibit A, attached hereto and incorporated herein, contains a list of the Acquisition Improvements. Portions of the Acquisition Improvements eligible for Installment Payments prior to completion of the entire Acquisition Improvements are described as eligible, discrete and usable portions in Exhibit B (each, an "Eligible Portion"). At the time of completion of each Acquisition Improvement, or Eligible Portion thereof, the Developer shall deliver to the City Engineer a written request for acquisition, accompanied by an Actual Cost Certificate, and by executed Title Documents for the transfer of the Acquisition Improvement where necessary. In the event that the City Engineer finds that the supporting paperwork submitted by the Developer fails to demonstrate the required relationship between the subject Actual Cost and eligible work, the City Engineer shall advise the Developer that the determination of the Actual Cost (or the ineligible portion thereof) has been disallowed and shall request further documentation from the Developer. If the further documentation is still not adequate, the City Engineer may update the Actual Cost Certificate to revise or delete any disallowed items and the determination shall be subject to appeal to the Director, whose determination shall be final.

Certain soft costs for the Acquisition Improvements, such as civil engineering, may have been incurred pursuant to single contracts that include work relating also to the private portions of the Project or to multiple Acquisition Improvements. In those instances, the total costs under such contracts will be allocated to each Acquisition Improvement as approved by the City Engineer. Where a specific contract has been awarded for design or engineering work relating solely to an Acquisition Improvement, one hundred percent (100%) of the costs under the contract will be allocated to that Acquisition Improvement. Soft costs will be allocated to each Acquisition Improvement as approved by the City Engineer. The costs of environmental mitigation required to mitigate the impacts of the public and private portions of the Project will be allocated to each Acquisition Improvement as approved by the City Engineer. Pursuant to Section 2.01, all eligible expenditures of soft costs in connection with the Acquisition Improvements (whether as an advance to the City or directly to the design consultant) incurred prior to the Effective Date, as identified in Exhibit B attached hereto, shall be reimbursed at the time of first Bond sale, and, thereafter, all additional, eligible soft costs shall be reimbursed at the time of acquisition of the Acquisition Improvements.

Section 2.04. Conditions Precedent to Payment of Acquisition Price. Payment to the Developer or its designee of the Acquisition Price for each Acquisition Improvement shall in every case be conditioned first upon the determination of the City Engineer that the Acquisition Improvement satisfies all City construction standards and specifications, rules, policies, regulations and ordinances and shall be further conditioned upon satisfaction of the following additional conditions precedent:

(a) Lien Releases. The Developer shall have provided the City with lien releases or other similar documentation satisfactory to the City Engineer as evidence that none of the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvement, to the extent not already owned by the City) comprising the Acquisition Improvement, and the property which is subject to the special taxes

of the Community Facilities District, is subject to any prospective mechanics lien claim respecting the Acquisition Improvements.

(b) Payment of Taxes. The Developer shall be current in the payment of all due and payable general property taxes, and all special taxes of the Community Facilities District, on property owned by the Developer or under option to the Developer within the Community Facilities District.

(c) Certification No Loan Default. The Developer shall certify that it is not in default with respect to any loan secured by any interest in the Project.

(d) Title Documents. The Developer shall have provided the City with Title Documents needed to provide the City with Acceptable Title to the site, right-of-way, or easement upon which the subject Acquisition Improvements are situated. All such Title Documents shall be in a form acceptable to the City Attorney and shall convey Acceptable Title. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the City Attorney insuring the City as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the City and the Developer. Each title insurance policy required hereunder shall be in the amount equal to the Acquisition Price. The amount paid to the Developer or its designee upon satisfaction of the foregoing conditions precedent shall be the Acquisition Price less all Installment Payments paid previously with respect to the Acquisition Improvement.

(e) Retention for Punch List Work. In the case of a completed Acquisition Improvement suitable for public use, but for which certain punch list work remains to be completed prior to formal acceptance by the City, the City shall retain from the payment of any Acquisition Price for such Acquisition Improvement the amount of one hundred and fifty percent (150%) of the value of punch list work not completed. Upon payment and acceptance of the Acquisition Price, less the retention for any punch list work, for each completed Acquisition Improvement or portion thereof, Developer shall have no further claim for payment from the City with respect to the retentions until completion of the punch list work. The City shall hold the retention amount on all Acquisition Improvements acquired until the punch list work is completed and accepted by the City. Provided, however, in any event, the City will not pay for the acquisition of any completed Acquisition Agreement or portion thereof unless and until the street, drainage or other utility rights of way where they are located have been irrevocably offered to the City for dedication and the remaining conditions precedent to payment under this Section 2.04 are satisfied.

(f) Warranty Bond. The Developer shall provide to City a warranty bond equal to 10% of the Actual Cost of the Acquisition Improvement. Commencement of the one-year warranty period shall start at the time of City's formal acceptance of the Acquisition Improvements in writing.

Section 2.05. Payment for Eligible Portions. The Developer may submit an Actual Cost Certificate to the City Engineer with respect to any Eligible Portion. Payment to the Developer or its designee from the Acquisition and Construction Fund and/or SPIF Set-Aside Fund of an Installment Payment with respect to such Eligible Portion shall in every case be conditioned first

upon the determination of the City Engineer, that the Eligible Portion has been completed in accordance with all applicable plans and City construction standards and specifications, rules, policies, regulations and ordinances and is otherwise complete and, where appropriate, is ready for acceptance by the City, and shall be further conditioned upon satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the City with lien releases or other similar documentation satisfactory to the City Engineer as evidence that the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Eligible Portion, to the extent not already owned by the City) comprising the Eligible Portion is not subject to any prospective mechanics lien claim respecting the Eligible Portion.

(b) The Developer shall be current in the payment of all due and payable general property taxes, and all special taxes of the Community Facilities District, on property owned by the Developer or under option to the Developer within the Community Facilities District.

(c) The Developer shall have provided the City with Title Documents needed to provide the City with Acceptable Title to the site, right-of-way, or easement upon which the subject Eligible Portion is situated. All such Title Documents shall be in a form acceptable to the City Attorney and shall be sufficient, upon completion of the Acquisition Improvements of which the Eligible Portion is a part, to convey Acceptable Title to the Eligible Portion. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the City Attorney insuring the City as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the City and the Developer. Each title insurance policy required hereunder shall be in the amount equal to the Installment Payment for the Eligible Portion.

(d) Payment and performance bonds, from a bonding company with an A.M. Best rating of at least "A-" or its equivalent, applying to plans, standards and specifications for the Acquisition Improvements approved by the City Engineer, shall be in place to secure completion of the Acquisition Improvements of which the Eligible Portion is a part. As an alternative thereto, Developer may ask the City to retain and reserve the amount of funds in the Acquisition and Construction Fund equal to the estimated cost to complete such Acquisition Improvements in the manner described in Section 2.02(e) above.

(e) The amount paid to the Developer or its designee upon satisfaction of the foregoing conditions precedent shall be the "Installment Payment" with respect to the Eligible Portion.

Section 2.06. Disbursement Request Form. Upon a determination by the City Engineer to pay the Acquisition Price of an Acquisition Improvement pursuant to Section 2.04 or to pay an Installment Payment for an Eligible Portion thereof pursuant to Section 2.05, the City Engineer shall cause a Disbursement Request Form substantially in the form attached hereto as Exhibit C to be submitted to the CFD Administrator for payment from the Acquisition and Construction Fund, up to the Acquisition Price or Installment Payment amount, and the CFD Administrator shall authorize such payment directly to the Developer or its designee of the authorized amount.

In the event that the Actual Cost of the Acquisition Improvements or the Installment Payment for an Eligible Portion is in excess of the amounts then available in the Acquisition and Construction Fund, subject to any retention of funds as security for the work pursuant to Section 2.02(e) and/or for punch list work pursuant to Section 2.04(e), the CFD Administrator and/or the City shall withdraw all funds then available in the Acquisition and Construction Fund and shall transfer those amounts to the Developer or its designee. The unpaid portion of the Actual Cost, as adjusted by the CCI, shall be paid from funds that may subsequently be deposited in and/or become available for payment from the Acquisition and Construction Fund. Developer understands that the Available CFD 23 Proceeds for the acquisition of the Acquisition Improvements may not be sufficient to reimburse the Developer for all of the costs and expenses constructing the Acquisition Improvements, or otherwise finance said improvements. Accordingly, Developer acknowledges and agrees that any shortfall in the Available CFD 23 Proceeds toward the construction and completion of the Acquisition Improvements is the Developer's sole responsibility, and that the Acquisition Price will be paid solely from the Available CFD 23 Proceeds, or from any proceeds that may become available for such payment through the SPIF Program for an Acquisition Improvement included in the SPIF Program.

Section 2.07. Payment to Construction Lender as Developer's Designee. Developer hereby designates the Construction Lender as Developer's designee for all payments of the Acquisition Price or an Installment Payment hereunder. Accordingly, notwithstanding anything to the contrary herein, all references to payments from the Acquisition and Construction Fund being made to "Developer" or to "Developer or its designee" (or its equivalent) shall instead require such payments to be paid directly to Construction Lender at the address for Construction Lender provided herein. Only if and when City receives written instructions signed by Developer and Construction Lender expressly terminating Developer's designation of the Construction Lender for direct payments from the Acquisition and Construction Fund to Construction Lender will the City thereafter pay any payments hereunder directly to Developer or any other Developer designee.

The address for payments to the Construction Lender shall be as follows (which may be revised in writing from time to time by Construction Lender by written notice to City and Developer):

Goodfellow Bros., Inc.
P.O. Box 598
Wenatchee, WA 98807
Attn: Scott Blaine

The provisions of this Section 2.07 are expressly for the benefit of the Construction Lender and may not be amended or terminated in any way without the prior written consent of the Construction Lender.

Section 2.08. Limitation on Obligations. Notwithstanding any provision to the contrary, in no event shall the District, the Authority or the City be required to pay the Developer or its designee more than the amounts held in the Acquisition and Construction Fund for the Acquisition Improvements under this Agreement.

Section 2.09. Warranties; Maintenance. Developer warrants the Acquisition Improvements as to materials and workmanship and should any failure due to faulty design or materials of the Acquisition Improvements or any parts thereof occur within a period of one (1) year after formal acceptance of the completed Acquisition Improvements by the City in writing, Developer shall promptly cause the needed repairs to be made at its sole cost and expense, without any expense or cost to City and without further reimbursement from the City. Developer shall provide to City, at the time of submittal of each payment request, a warranty bond equal to 10% of the value of each Acquisition Improvement.

City is hereby authorized to make repairs if Developer fails to make, or undertake with due diligence, the aforesaid repairs within twenty (20) calendar days after it is given written notice of such failure. In case of emergency where delay would cause serious hazard to the public, the necessary repairs may be made by City without prior notice to Developer. In all cases of failure of the Acquisition Improvements within the warranty period where the City has taken action in accordance with this paragraph, Developer shall reimburse City for any and all costs or expenses, direct and indirect, incurred by the City within thirty (30) calendar days of receiving invoice from the City. If the Developer fails to timely pay such reimbursement, the City may recover such costs or expenses from any and all Available CFD 23 Proceeds in the Acquisition and Construction Fund, in addition to any and all remedies at law or in equity.

Any warranties, guarantees or other evidence of continuing obligations of third persons with respect to any Acquisition Improvement to be acquired by the City shall be delivered to the Director as part of the conveyance of the Acquisition Improvement. No later than the time for such conveyance, the Developer shall verify and confirm existence of a funding mechanism acceptable to City for the ongoing maintenance of the Acquisition Improvements in accordance with applicable City standards, policies and ordinances and for such periods as are required by applicable City standards, policies and ordinances.

ARTICLE III

MISCELLANEOUS

Section 3.01. Indemnification and Hold Harmless. The Developer hereby assumes the defense of, and indemnifies and saves harmless the City, the Authority, the District, and their respective officers, directors, employees and agents (collectively, the "Indemnitees"), from and against all actions, damages, claims, losses or expenses of every type and description including but not limited to personal injury, or bodily injury including death, as well as from claims for property damage which may arise from the operations of the Developer or its contractors, subcontractors, agents, or employees, to which the Indemnitees may be subjected or put, by reason of, or resulting from or alleged to have resulted from the acts or omissions of the Developer or its contractors, subcontractors, agents or employees arising out of any contract for the design, engineering and construction of the Acquisition Improvements entered into by or for the Developer, or arising out of any alleged misstatements of fact or alleged omission of a material fact made by the Developer, its officers, directors, employees or agents to the District's underwriter, financial advisor, appraiser, district engineer or bond counsel or regarding the Developer, its proposed developments, its property ownership and its contractual arrangements

contained in the official statement relating to the District financing (Developer hereby acknowledges that it has been furnished a copy of the official statement for the District and has not objected thereto). Nothing in this Section 3.01 shall limit in any manner the City's rights against any of the Developer's architects, engineers, contractors or other consultants. Except as set forth in this Section 3.01, no provision of this Agreement shall in any way limit the extent of the responsibility of the Developer for payment of damages resulting from the operations of the Developer, its agents and employees. Nothing in this Section 3.01 shall be understood or construed to mean that the Developer agrees to indemnify the Indemnitees for any wrongful acts, willful misconduct, active negligence or omissions to act of the Indemnitees. It is understood that the duty of Developer to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of any insurance certificates or endorsements does not relieve Developer from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Developer acknowledges and agrees to the provisions of this Section and that it is a material element of consideration. The foregoing indemnity obligation of the Developer shall survive the termination or expiration of this Agreement.

Section 3.02. Audit. The City shall have the right, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer (for which the Developer seeks reimbursement pursuant to this Agreement) in constructing the Acquisition Improvements.

Section 3.03. Cooperation. The City and the Developer agree to cooperate with respect to the completion of the financing of the Acquisition Improvements by the District through the levy of the Special Taxes and issuance of Bonds. The City and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

Section 3.04. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that the consent, approval or acceptance not be unreasonably withheld or delayed, unless the provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

Section 3.05. Third Party Beneficiaries. It is expressly agreed that there are no third party beneficiaries of this Agreement, including without limitation any owners of Bonds, any of the City's, District's or Developer's contractors for the Acquisition Improvements and any of the City's, District's or the Developer's agents and employees.

Section 3.06. Conflict with Other Agreements. Nothing contained herein shall be construed as releasing the Developer or the City from any condition of development or requirement imposed by any other agreement between the City and the Developer, and, in the

event of a conflicting provision, the other agreement shall prevail unless the conflicting provision is specifically waived or modified in writing by the City and the Developer.

Section 3.07. Notices. All invoices for payment, reports, other communication and notices relating to this Agreement shall be mailed or e-mailed to:

<p><u>If to the City:</u></p> <p>Chief Financial Officer City of Folsom 50 Natoma Street Folsom, CA 95630 E-mail: stamagni@folsom.ca.us</p>	<p><u>If to the Developer:</u></p> <p>East Carpenter Improvement Company, LLC 4370 Town Center Blvd., Suite 100 El Dorado Hills, CA 95762 Attention: William B. Bunce E-mail: bbunce@westlandcp.com</p>
<p>With a copy to:</p> <p>City Attorney City of Folsom 50 Natoma Street Folsom, CA 95630 E-mail: swang@folsom.ca.us</p>	<p>With a copy to:</p> <p>Hefner Law 2150 River Plaza Drive, Ste. 450 Sacramento, CA 95833 Attention: Timothy D. Taron E-mail: ttaron@hsmlaw.com</p>

Either party may change its address by giving notice in writing to the other party.

Section 3.08. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 3.09. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. Any action brought relating to this Agreement shall be held exclusively in a state court in the County of Sacramento.

Section 3.10. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement.

Section 3.11. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section 3.12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 3.13. Successors and Assigns. This Agreement is binding upon the heirs, assigns and successors-in-interest of the parties hereto. The Developer may not assign its rights or obligations hereunder, except to successors-in-interest to the property within the District, without the prior written consent of the City, which consent shall not be unreasonably withheld.

Section 3.14. Remedies in General. It is acknowledged by the parties that the City would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, and therefore the Developer hereby waives any and all claims for damages against the City and its officers, agents and employees for breach of this Agreement. This waiver of damages by Developer shall not preclude any action by Developer to specifically enforce the obligations of the City hereunder to review and approve for acceptance and acquisition the Acquisition Improvements constructed by Developer in accordance with the terms hereof and to process applications for payment with the CFD Administrator for payment to Developer from the Acquisition and Construction Fund of the approved Acquisition Price for each of the Acquisition Improvements completed by Developer.

The parties further acknowledge that damages are not a remedy under this Agreement, and thus, while in general each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, the City shall not be liable in damages to the Developer, or to any assignee or transferee of the Developer. The Developer may, without any claim for damages of any kind, in addition to other rights or remedies, institute an action to cure, correct, specifically enforce or remedy any default in the processing of the payments to the Developer specified in this Agreement. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement.

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

DEVELOPER

East Carpenter Improvement Company, LLC,
a California limited liability company

By: HBT ECIC, LLC,
a California limited liability company
Its: Managing Member

By: _____
Name: William B. Bunce
Its: Manager

CITY OF FOLSOM, A Municipal Corporation:

Date Elaine Anderson, City Manager

ATTEST:

FUNDING AVAILABLE:

Christa Freemantle, City Clerk Stacey Tamagni, Chief Financial Officer

ORIGINAL APPROVED AS TO CONTENT:

ORIGINAL APPROVED AS TO FORM:

Pam Johns, Director Steven Wang, City Attorney
Community Development Department

EXHIBIT A TO THE ACQUISITION AGREEMENT

DESCRIPTION OF ACQUISITION IMPROVEMENTS AND ESTIMATED AMOUNTS

ACQUISITION IMPROVEMENTS*	ESTIMATED AMOUNTS
1. <u>Roadway Improvements</u>	
(a) East Bidwell Street	\$ 6,500,000
(b) Alder Creek Parkway - from East Bidwell Street to Placerville Road.	\$ 8,500,000
(c) Savannah Parkway - from East Bidwell Street to Grand Prairie Drive	\$ 8,500,000
<i>NOTE: Mangini Phase 2 is required to build improvements at White Rock Road, which may be included in the eligible facilities.</i>	\$ 5,000,000
(d) Westwood Drive – from Placerville Road to Phase 1 terminus	\$ 2,500,000
(e) Traffic Signals - at selected intersections: <ul style="list-style-type: none"> • Alder Creek Parkway/E Bidwell (SPIF Intersection #5) • Alder Creek Parkway/Westwood Dr (SPIF Intersection #6) • Savannah Parkway/E Bidwell (SPIF Intersection #11) • Savannah Parkway/Westwood Dr (SPIF Intersection #12) 	\$15,000,000
(f) Internal subdivision streets and related underground utilities.	
(g) Other public roadway improvements designed to meet the needs of development within CFD 23.	
2. <u>Water System Improvements</u>	
All water facilities designed to meet the needs of development within CFD 23, including:	
(a) water storage, treatment and distribution facilities including waterlines and appurtenances, gate valves, pressure reducing	\$ 6,000,000

<p>stations, flow meters, fire hydrants, and other improvements related thereto such as site clearing, grading and paving; curbs and gutters;</p> <p>(b) booster pump stations;</p> <p>(c) stand-by generators;</p> <p>(d) site lighting, drainage, sanitary sewer, and water service;</p> <p>(e) landscaping and irrigation;</p> <p>(f) access gates, and fencing; and striping and signage.</p>	<p>N/A</p> <p>Incl. above</p> <p>Incl. above</p> <p>Incl. above</p>
<p>3. <u>Recycled Water System Improvements</u></p> <p>Any and all recycled water system facilities designed to meet the needs of development within CFD 23, including:</p> <p>(a) treatment and distribution facilities including pipelines and appurtenances, gate valves, flow meters, booster pump pressurization system, and other improvements related thereto - such as site clearing, grading and paving; curbs and gutters;</p> <p>(b) booster pump stations;</p> <p>(c) stand-by generators;</p> <p>(d) site lighting, drainage, sanitary sewer, and water service;</p> <p>(e) landscaping and irrigation; and</p> <p>access gates, and fencing; and striping and signage.</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>Incl. above</p> <p>N/A</p>
<p>4. <u>Drainage System Improvements</u></p> <p>Any and all drainage and storm drain improvements designed to meet the needs of development within CFD 23, including:</p> <p>(a) excavation and grading, pipelines and appurtenances, outfalls and water quality measures, detention/retention basins, drainage pretreatment facilities, drainage ways/channels, pump stations, landscaping and irrigation; and</p> <p>access roads, gates, and fencing; and striping and signage and other improvements related thereto.</p>	<p>\$7,500,000</p> <p>\$ 1,250,000</p>
<p>5. <u>Wastewater System Improvements</u></p> <p>Any and all wastewater facilities designed to meet the needs of</p>	

<p>development within CFD 23, including:</p> <ul style="list-style-type: none"> (a) pipelines and all appurtenances thereto; (b) manholes; (c) tie-in to existing main line; (d) force mains; (e) lift stations; (f) odor-control facilities; and (g) permitting related thereto; and related sewer system improvements. (h) 	<p>\$1,000,000 Incl. above</p> <p>Incl. above</p> <p>CFD 18 improvement CFD 18 improvement N/A</p> <p>Incl. above</p>
<p>6. Park, Parkway and Open Space Improvements</p> <p>Any and all improvements to parks, parkways and open space required for development within CFD 23, including:</p> <ul style="list-style-type: none"> (a) grading, turf, shrubs and trees, landscaping irrigation, site lighting, drainage, sanitary sewer and water service, pedestrian and bicycle trails, protective fencing (including soundwalls), pedestrian/bicycle bridges, storm drain crossings, wetland mitigation, hawk mitigation for authorized facilities herein, access gates and fencing and related open space improvements; and (b) acquisition of any and all parkland as well as open space/bike trail/public access easements required for development within CFD 23. 	<p>\$ 2,500,000</p> <p>N/A</p>
<p>7. Specific Plan Infrastructure Fee Infrastructure</p> <p>Any and all improvements that are included in the Specific Plan Infrastructure Fee Program adopted by the City Council on September 8, 2015, including any future amendments thereto.</p> <p>By way of example, Developer may include fee advances for Set Aside Fees, Roadways or Water System Improvements.</p>	<p>\$ 10,000,000</p>

* *(NOTE: For this Agreement, Acquisition Improvements Limited to Authorized Facilities described in Resolution of Formation for CFD 23, and Components thereof*

EXHIBIT B TO THE ACQUISITION AGREEMENT

**DESCRIPTION OF ELIGIBLE PORTIONS
OF ACQUISITION IMPROVEMENTS,
INCLUDING RELATED DESIGN COSTS**

[None]

B-1

EXHIBIT C TO THE ACQUISITION AGREEMENT

**DISBURSEMENT REQUEST FORM
(Acquisition Improvement or Eligible Portion)**

To: Folsom Ranch Financing Authority CFD Administrator (Community Facilities District No. 23) Improvement Area No. 1
Attention: _____
E-mail: _____
Phone: _____

Re: Community Facilities District No. 23, Improvement Area No. 1
Disbursement

The undersigned, a duly authorized officer of the Developer, hereby requests a withdrawal from the City of Folsom Community Facilities District No. 23 Acquisition and Construction Fund, as follows:

Request Date: [Insert Date of Request]
Withdrawal Amount: [Insert Acquisition Price/Installment Payment]
Acquisition Improvements: [Insert Description of Acquisition Improvement(s)/Eligible Portion(s) from Exhibit A]
Payment Instructions: [Insert Wire Instructions or Payment Address for Construction Lender, or Developer or other Developer designee provided by the Developer after termination of direct payments to Construction Lender per Section 2.07]

The undersigned hereby certifies as follows:

The Withdrawal is being made in accordance with a permitted use of the monies pursuant to the Acquisition Agreement and the Withdrawal is not being made for the purpose of reinvestment.

None of the items for which payment is requested have been reimbursed previously from the Acquisition and Construction Fund.

If the Withdrawal Amount is greater than the funds held in the Acquisition and Construction Fund, the CFD Administrator is authorized to pay the amount of such funds (excluding any amounts being retained therein as directed by the City in lieu of Performance and Payment Bonds and/or for punch list work) and to pay remaining amount(s) as funds are subsequently deposited in and/or become available for payment from the Acquisition and Construction Fund, should that occur.

Developer: [Name of Developer] _____ Authorized Representative	Approved By: City of Folsom _____ City Engineer
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EXHIBIT D TO THE ACQUISITION AGREEMENT

INSURANCE REQUIREMENTS

NOTE: The word “Consultant” in this Exhibit refers to either “Consultant”, “Developer” or “Contractor” as the term is used in the Agreement/Contract to which this Exhibit is attached.

A. During the term of this Agreement, Consultant shall maintain in full force and effect at all times during the term of the contract, at its sole cost and expense, policies of insurance as set forth herein:

1. General Liability:

- a. General liability insurance including, but not limited to, protection for claims of bodily injury and property damage liability, personal and advertising injury liability and product and completed operations liability.
- b. Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage form CG 0001 (occurrence).
- c. Claims-made coverage is not acceptable.
- d. The limits of liability shall not be less than:
Each occurrence: One Million Dollars (\$1,000,000)

Products & Completed Operations: One Million Dollars (\$1,000,000)

Personal & Advertising Injury: One Million Dollars (\$1,000,000)

- e. If a general aggregate limit of liability is used, the minimum general aggregate shall be twice the ‘each occurrence’ limit or the policy shall contain an endorsement stating that the general aggregate limit shall apply separately to the project that is the subject of the contract.
- f. If a products and completed operations aggregate limit of liability is used, the minimum products and completed operation aggregate shall be twice the ‘each occurrence’ limit or the policy shall contain an endorsement stating that the products and completed operations aggregate limit shall apply separately to the project which is the subject of the contract.
- g. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

2. Automobile Liability:

- a. Automobile liability insurance providing protection against claims of bodily injury and property damage arising out of ownership, operation, maintenance, or use of owned, hired, and non-owned automobiles.
- b. Coverage shall be at least as broad as Insurance Services Office Automobile Liability coverage form CA 0001, symbol 1 (any auto).

- c. The limits of liability per accident shall not be less than:

Combined Single Limit	One Million Dollars (\$1,000,000)
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- d. If Automobile Liability coverage, as required above, is provided by the Commercial General Liability form, the General Liability policy shall include an endorsement providing automobile liability as required above.

3. Workers' Compensation

- a. Workers' Compensation Insurance, with coverage as required by the State of California (unless the Consultant is a qualified self-insurer with the State of California), and Employer's Liability coverage.
- b. Employer's Liability Coverage with a limit not less than \$1,000,000 per accident for bodily injury and disease.
- c. Consultant shall sign and file with the City department responsible for this Agreement/Contract the Worker's Compensation Certificate contained in the Project Manual.

4. Insurance Required in the Supplementary Conditions: Consultant shall be required to comply with all conditions as stipulated in the Standard Construction Specifications, any supplementary conditions and any special provisions as applicable.

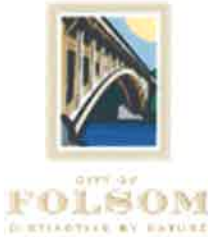
5. Professional Liability Insurance: If required, errors and omissions, malpractice or professional liability insurance with coverage of not less than \$1,000,000 per occurrence.

6. Other Insurance Provisions:

- a. The Consultant's General Liability and Automobile Liability policies shall contain, or be endorsed to contain, the following provisions:
- i. The City, its officials, employees, agents and volunteers shall be covered and specifically named as additional insureds on a separate endorsement as respects liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied, or used by the Consultant, or automobiles owned, leased, hired, or borrowed by the Consultant in a form acceptable to the City Attorney.
 - ii. The Endorsement requirement may be satisfied with express provisions in the insurance policy(ies) which identifies any person or entity required to be included as an insured under the policy. A copy of the declarations page identifying the policy number, and pertinent provisions in the policy providing additional insured coverage shall be provided to the City.
 - iii. The policy shall contain no special limitations on the scope of coverage afforded to the City, its officials, employees, agents or volunteers.
- b. For any claims related to the project, the Consultant's General Liability and Automobile insurance coverage shall be primary insurance in their coverage of the City and its officers, officials, employees, agents, or volunteers, and any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

- c. Any failure to comply with reporting or other provisions of the policies on the part of the Consultant, including breaches of warranties, shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.
 - d. The Consultant's Workers Compensation and Employer's Liability policies shall contain an endorsement that waives any rights of subrogation against the City, its officers, officials, employees, agents, and volunteers.
 - e. Each insurance policy shall state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits, non-renewed, or materially changed except after **30 days prior written notice** by certified mail has been given to the City. Ten days prior written notice by certified mail shall be given to the City in the event of cancellation due to nonpayment of premium.
7. Acceptability of Insurers: Insurance is to be placed with insurers with a **Bests' rating of no less than A:VII.**
 8. The Consultant shall furnish the City with Certificates of Insurance and endorsements or insurance binders, signed by a person authorized by the insurer to bind coverage on its behalf, evidencing the coverage required by this section, the Standard Specifications, Special Provisions and/or any Supplementary Conditions. The Consultant shall furnish complete, certified copies of all required insurance policies, including original endorsements specifically required hereunder if requested.
 9. The Consultant shall report, by telephone to the Project Manager within 24 hours, and also report in writing to the City within 48 hours, after Consultant or any Subcontractors or agents have knowledge of, any accident or occurrence involving death of or serious injury to any person or persons, or damage in excess of Ten Thousand Dollars (\$10,000) to property of the City or others, arising out of any work done by or on behalf of the Consultant as part of the contract.
 10. Such report shall contain:
 - a. the date and time of the occurrence,
 - b. the names and addresses of all persons involved, and
 - c. a description of the accident or occurrence and the nature and extent of the injury or damage.
 11. The City, at its discretion, may increase the amounts and types of insurance coverage required hereunder at any time during the term of the contract by giving 30 days written notice.
 12. If the Consultant fails to procure or maintain insurance as required by this section, the Standard Specifications, and any Supplementary Conditions, or fails to furnish the City with proof of such insurance, the City, at its discretion, may procure any or all such insurance. Premiums for such insurance procured by the City shall be deducted and retained from any sums due the Consultant under the contract.
 13. Failure of the City to obtain such insurance shall in no way relieve the Consultant from any of its responsibilities under the contract.

14. The making of progress payments to the Consultant shall not be construed as relieving the Consultant or its Subcontractors of responsibility for loss or direct physical loss, damage, or destruction occurring prior to final acceptance by the City.
15. The failure of the City to enforce in a timely manner any of the provisions of this section shall not act as a waiver to enforcement of any of these provisions at any time during the term of the contract.
16. In the event Consultant carries Excess Liability Coverage, the Excess Liability Coverage shall apply to any and all claims related to the project on a primary and non-contributory basis, and the City's insurance or self-insurance coverage shall be excess to the Consultant's Excess Liability Coverage.



Folsom City Council Staff Report

MEETING DATE:	6/9/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10469 – A Resolution Authorizing the City Manager to Execute a Communications Site License Agreement with CCTM1 LLC at Mann Park
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Move to approve Resolution No. 10469 – A Resolution Authorizing the City Manager to Execute a Communications Site License Agreement with CCTM1 LLC at Mann Park Site.

BACKGROUND / ISSUE

In 1995, Pacific Bell Mobile Services entered into a Communications Site Lease Agreement for the site at Mann Park. In 1996 Amendment No. 1 made minor revisions to the descriptions of the property and premises. Pacific Bell Mobile Services, through a series of merges and transfers eventually became T-Mobile and in 2012 through an Assignment and Assumption Agreement, CCTM1, a subsidiary of Crown Castle, took over the Communications Site Lease Agreement. The existing agreement had an initial term that commenced on December 13, 1995 and expired on December 12, 2000. The existing agreement provides for five extensions of five years each and the first four have been exercised. The final extension is set to expire December 12, 2025.

In 2019, the City consented to additional modifications of the site resulting in Verizon co-locating their equipment at the existing site in the future. The 1995 agreement did not provide for additional rent to the City as a result of adding an additional provider to co-locate on our site.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$62,014 or greater shall be awarded by City Council.

ANALYSIS

Crown Castle is the largest wireless infrastructure provider in the US. As current manager of the cell tower site at Mann Park, they reached out to the City to initiate a new agreement. The final extension of the existing agreement expires on December 12, 2025 and will remain in place. There is a desire by both the City and CCTM1 to have a concurrent new agreement in place to update the terms and conditions to address the addition of co-location, new fees and to also extend the term of the License.

The rent under the existing agreement is \$9,655 annually for the remaining five years (2020 – 2025) of the agreement. If the new agreement is authorized, the first year's rent will add an additional \$28,345 per year of new revenue, for a total annual rent of \$38,000. Rental agreement will include a 3% annual increase.

The proposed terms for the Communications Site License Agreement at Mann Park include the following:

1. The existing agreement will remain in effect until it expires in 2025.
2. The new Communications Site License Agreement will commence concurrently with the existing agreement. The first 10-year term of the new agreement will expire on December 13, 2030, with four automatic extensions of five years each for a total of 30 years, which could bring this agreement through 2050.
3. The new agreement adds additional rent for the first five years over the existing contract bringing the total rent to \$38,000 beginning in 2020 with a 3 % annual increase.
4. The new agreement includes co-location fees equal to 50% of the revenue received from the additional providers who are co-locating. In the case of Verizon, co-location fees will start at \$13,500 in 2020 with a 2.75% annual increase.
5. The new agreement includes a one-time conditional signing bonus of \$25,000 within 60 days of full execution of this agreement.
6. The new agreement will be in a form acceptable to the City Attorney's office.

FINANCIAL IMPACT

The new agreement adds an additional \$1,759,591 of revenue to the City if all extensions are exercised through 2050 along with a \$25,000 conditional signing bonus to be received in 2020. The co-location revenue for Verizon would be an additional \$616,877 through 2050. The table below reflects the revenues over the next ten years if there are no other changes:

	Existing Agreement	New Agreement	Co-Location Fees
2020	\$ 9,655.00	\$ 28,345.00	\$ 13,500.00
2021	\$ 9,655.00	\$ 29,485.00	\$ 13,871.25
2022	\$ 9,655.00	\$ 30,659.20	\$ 14,252.71
2023	\$ 9,655.00	\$ 31,868.63	\$ 14,644.66
2024	\$ 9,655.00	\$ 33,114.34	\$ 15,047.39
2025		\$ 44,052.42	\$ 15,461.19
2026		\$ 45,373.99	\$ 15,886.37
2027		\$ 46,735.21	\$ 16,323.25
2028		\$ 48,137.27	\$ 16,772.14
2029		\$ 49,581.39	\$ 17,233.37
2030		\$ 51,068.83	\$ 17,707.29

ENVIRONMENTAL REVIEW

Environmental review is not required pursuant to section 15301 of the CEQA Guidelines (related to Existing Facilities) and section 15303 of the CEQA Guidelines (related to new construction or conversion of small structures). Based on staff's analysis, none of the exceptions in Section 15300.2 of the CEQA Guidelines apply to the use of the categorical exemptions in this case.

ATTACHMENT

Resolution No. 10469 – A Resolution Authorizing the City Manager to Execute a Communications Site License Agreement with CCTM1, LLC at Mann Park

Submitted,

Lorraine Poggione, Parks & Recreation Director

RESOLUTION NO. 10469

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A COMMUNICATIONS SITE LICENSE AGREEMENT WITH CCTM1, LLC AT MANN PARK

WHEREAS, Pacific Bell Mobile Services entered into a Communications Site License Agreement in December 1995 for development of a wireless communications facility at Mann Park; and

WHEREAS, Amendment No. 1 made minor revisions to the descriptions of the property and premises; and

WHEREAS, the existing agreement had an initial term that commenced on December 13, 1995 and expired on December 12, 2000; and

WHEREAS, the existing agreement provided for five extensions of five years each for a total of 30 years; and

WHEREAS, the first four extensions were exercised by the Original Licensee; and

WHEREAS, the final extension of the existing agreement will expire on December 12, 2025; and

WHEREAS, through a series of merges and transfers Pacific Bell Services became T-Mobile; and

WHEREAS, through an assignment and assumption agreement in 2012 CCTM1, a subsidiary of Crown Castle International Corporation, took over the Communications Site License Agreement; and

WHEREAS, both CCTM1 and the City of Folsom desire to update the terms and conditions and extend the term of the License; and

WHEREAS, the new Communications Site License Agreement will commence concurrently with the existing agreement and continue after the existing agreement expires in 2025; and

WHEREAS, the new Communications Site License Agreement will expire on December 13, 2030 with four automatic extensions of five years each for a total of 30 years; and

WHEREAS, the annual rent for the new Communications Site License Agreement starts at \$28,345 and when combined with the existing annual rent of \$9,655 brings the annual rent to \$38,000 with a 3% annual increase; and

WHEREAS, the co-location fee will be 50% of their rental fees received from Additional Providers resulting in an additional annual co-location fee of \$13,500 with a 2.75% annual increase; and

WHEREAS, CCTM1 will pay a one-time conditional signing bonus of \$25,000 within 60 days of full execution of this agreement; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a Communications Site License Agreement with CCTM1, LLC at Mann Park.

PASSED AND ADOPTED this 9th day of June 2020, by the following roll-call vote:

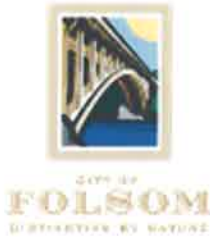
AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):
ABSTAIN: Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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Folsom City Council Staff Report



MEETING DATE:	6/9/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10471 – A Resolution Approving the Folsom Tree Care and Maintenance Standards and Folsom Master Tree List
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully requests that the City Council approve Resolution No. 10471 – A Resolution Approving the Folsom Tree Care and Maintenance Standards and the Folsom Master Tree List.

BACKGROUND / ISSUE

Trees provide an essential contribution to the general welfare, economic vitality, and overall beauty and character of Folsom. In 1995, the City Council adopted a Tree Preservation Ordinance (Folsom Municipal Code Chapter 12.16) primarily to establish and maintain tree cover and promote conservation of tree resources. In the 25 years since that time, staff has relied on guidance from standards for tree management published by the American National Standards Institute (ANSI) and a master tree list created and maintained by the City Arborist to enforce the purpose and provisions of the Tree Preservation Ordinance.

1. Throughout the course of the original Tree Preservation Ordinance, several challenges were identified by city staff and stakeholders (residents, developers, arborists) with interpreting/implementing the code as written. As such, city staff launched a planned approach for updating the Tree Preservation Ordinance in April of 2019 in a focused effort to solve problems and give us more tools in our toolbelts to better protect and preserve trees. Through the initial outreach efforts with residents and stakeholders, staff garnered voiced feedback reflecting the following focal

problems with the old ordinance: Lack of clear and common understanding/definition of regulated activities.

2. Ambiguities regarding prohibited activities.
3. Lack of reference to or incorporation of best management practices and standards for tree preservation.

In response to these identified issues, staff incorporated references to *ANSI A300 Standards for Tree Care Operations – Tree, Shrub, and Other Woody Plant Management* as well as the International Society of Arboriculture’s (ISA) *Best Management Practices* companion series into the updated Tree Preservation Ordinance. To go a step further, staff also introduced into the new ordinance, the concept of a set of standards for the care and maintenance of protected trees that would be specific to the City of Folsom.

On January 28, 2020, the City Council adopted Ordinance No. 1299 – An Ordinance Repealing and Replacing the Tree Preservation Ordinance as Set Forth in Chapter 12.16 of the Folsom Municipal Code, which incorporates the approved tree species and tree management practices outlined in the Folsom Master Tree List and the Folsom Tree Care and Maintenance Standards.

POLICY / RULE

ANSI A300 Standards are nationally recognized standards for tree management published by Tree Care Industry Association, Inc. The ISA Best Management Practices are companion publications to ANSI A300 and supply easily digestible guidance and context to the standards. Although ANSI A300 Standards and ISA best management practices are the driving forces for tree work standards among the certified arborist community, they are not documents that are easily accessible to the general public. Therefore, a set of standards have been developed by staff to provide guidance on proper tree management practices to Folsom residents.

The Folsom Tree Care and Maintenance Standards fuses the ideals and practices of these documents with the rules and policies outlined in the Folsom Municipal Code and the City’s Design Guidelines to provide guidance to the user on the topics of tree planting, tree pruning, tree management during construction, and landscaping activities near trees. The document also delineates required practices when working on protected trees and thresholds and processes for Tree Permits.

The Folsom Master Tree List, though never formally adopted by City Council, has been a heavily relied upon document by staff and stakeholders alike over the past several years. Maintained by the city arborist, the Master Tree List establishes those tree species that are best suited to be planted as street trees and parking lot shading trees. The List also provides helpful information to the user regarding mature size, water needs, and minimum required distances from hardscape per species. The attached Folsom Master Tree List has been

updated to provide the necessary information in a simpler, more streamlined fashion. A new component has also been added to the list, which delineates those species that are not eligible for “Heritage” status. Unless planted as a street tree or parking lot shading tree, these specific tree species cannot obtain protected status by simple virtue of reaching the threshold size of a “Heritage Tree” as defined in Folsom Municipal Code 12.16.020.

Both the Master Tree List and Tree Care and Maintenance Standards are anticipated to receive minor updates from time to time as knowledge is gained on existing tree species, new varieties are cultivated, and as the national standards and best management practices evolve. However, any future changes to the list of species not eligible for Heritage status shall be subject to approval by City Council.

ENVIRONMENTAL REVIEW

On January 14, 2020, City Council approved and certified an Addendum to the 2035 General Plan Final Program Environmental Impact Report (FPEIR) for the Folsom Tree Preservation Ordinance Update (TPOU). These implementation documents were anticipated as part of that analysis and no further environmental review is required.

ATTACHMENTS

1. Resolution No. 10471 - A Resolution Approving the Folsom Tree Care and Maintenance Standards and the Folsom Master Tree List
2. City of Folsom Tree Care and Maintenance Standards
3. Folsom Master Tree List

Submitted,

PAM JOHNS
Community Development Director

ATTACHMENT 1
RESOLUTION

RESOLUTION NO. 10471

**A RESOLUTION APPROVING THE
FOLSOM TREE CARE AND MAINTENANCE STANDARDS
AND FOLSOM MASTER TREE LIST**

WHEREAS, trees provide an essential contribution to the general welfare, economic vitality, environmental quality, and overall beauty and character of Folsom; and

WHEREAS, on January 28, 2020, the City Council adopted Ordinance No. 1299 – An Ordinance Repealing and Replacing the Tree Preservation Ordinance as Set Forth in Chapter 12.16 of the Folsom Municipal Code, which emphasizes tree protection and preservation; and

WHEREAS, the Tree Preservation Ordinance incorporates the approved tree species and tree management practices outlined in the Folsom Master Tree List and the Folsom Tree Care and Maintenance Standards; and

WHEREAS, the Folsom Tree Care and Maintenance Standards establish a set of local standards to provide guidance on proper tree management practices (e.g., tree planting, pruning, management during construction, landscape activities near trees) utilizing industry standards and best practices accessible to Folsom residents; and

WHEREAS, the Folsom Master Tree List establishes those tree species that are best suited to be planted as street trees and parking lot shading trees, list of trees not eligible for “Heritage” status, along with helpful information regarding mature size, water needs, and minimum required spacing requirements per species; and

WHEREAS, both the Master Tree List and Tree Care and Maintenance Standards are anticipated to receive minor updates from time to time as knowledge is gained on existing tree species, new varieties are cultivated, and as the national standards and best management practices evolve. However, any future changes to the list of species not eligible for Heritage status shall be subject to approval by City Council; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom approves the Folsom Tree Care and Maintenance Standards and Folsom Master Tree List as shown in Exhibits 1 and 2.

PASSED AND ADOPTED on this 9th day of June 2020, by the following roll-call vote:

- AYES:** Council Member(s)
- NOES:** Council Member(s)
- ABSENT:** Council Member(s)
- ABSTAIN:** Council Member(s)

ATTEST:

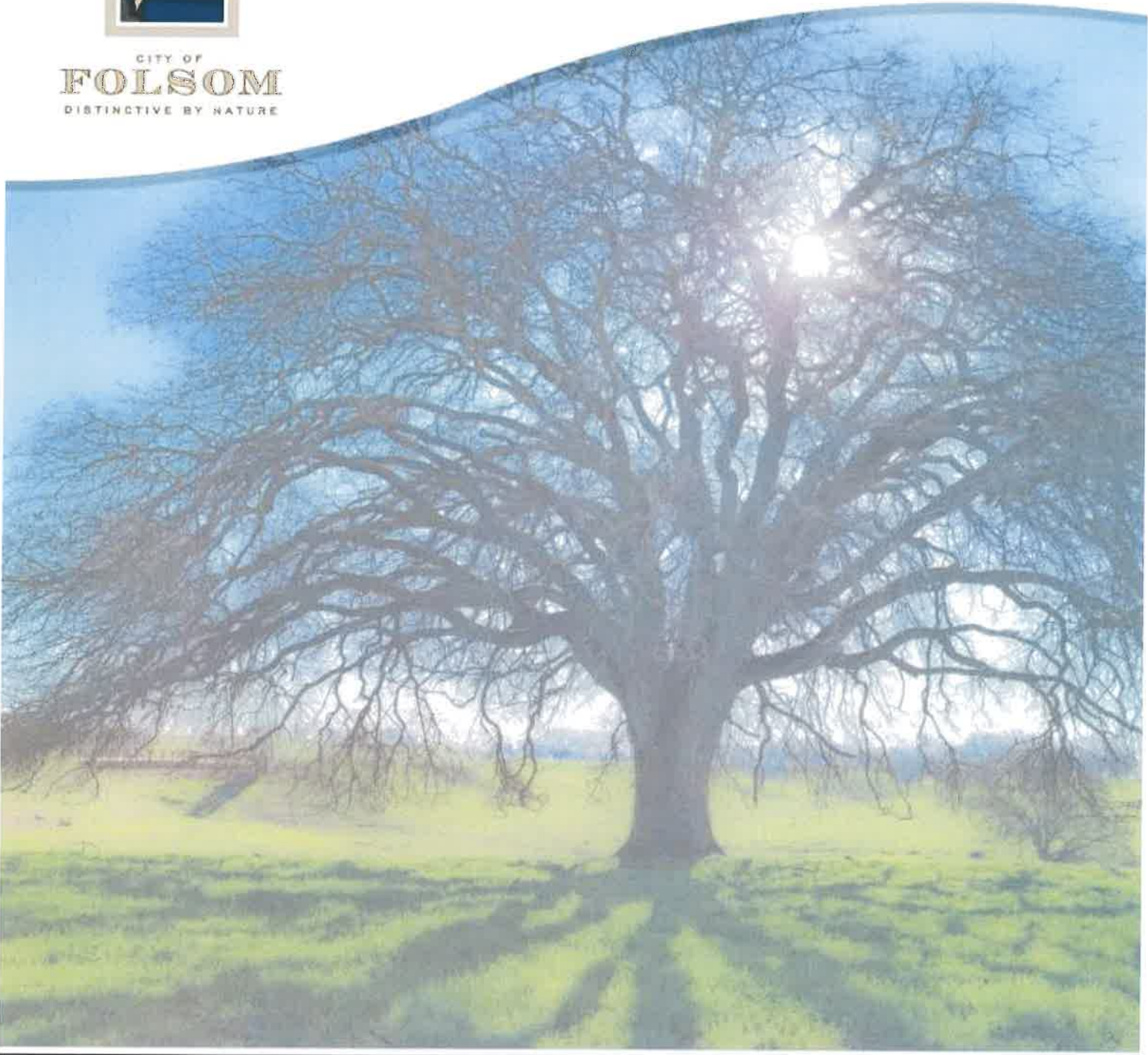
Sarah Aquino, MAYOR

Christa Freemantle, CITY CLERK

ATTACHMENT 2
CITY OF FOLSOM TREE CARE AND MAINTENANCE STANDARDS



CITY OF
FOLSOM
DISTINCTIVE BY NATURE



TREE CARE AND MAINTENANCE STANDARDS

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PURPOSE AND INTENT

Trees are both community and environmental assets, unique in their ability to provide a multitude of benefits that appreciate over time. The purpose of this document is to support the provisions outlined in the City of Folsom's Tree Preservation Ordinance (Folsom Municipal Code 12.16) with the goal of fostering a vibrant, healthy urban forest. Although the requirements outlined herein apply only to Protected Trees within the City of Folsom, this document may also serve as guidance to users in the proper management of Protected and non-protected trees alike.

The following provisions are based upon the most current version of ANSI A300 Standards, the International Society of Arboriculture's Best Management Practices series, and all applicable City standards and policies. In the event of a conflict with other related City of Folsom standards or guidelines with regard to Protected Trees, this document shall control.

APPLICABILITY

These standards shall apply when undertaking any regulated activity affecting a Protected Tree in the City of Folsom. Trees that are not protected are not subject to the provisions of these standards; however, this document may be used as an educational source for the proper management of all trees within the City of Folsom.

DEFINITIONS

ANSI A300 (American National Standards Institute A300 standard) - In the United States, industry-developed, national consensus standards of practice for tree care.

ANSI Z133.1 (American National Standards Institute Z133.1 standard) - In the United States, industry-developed, national consensus standards of practice for tree care safety.

arboriculture - Practice and study of the care of trees and other woody plants in the landscape.

arborist - Professional who possesses the technical competency gained through experience and related training to provide for or supervise tree pruning, tree removal or the construction management of trees and other woody plants. For the purposes of this document, an arborist shall be defined as someone who possesses the above-mentioned knowledge and also holds current certification with the International society of Arboriculture (ISA).

arborist report - A report prepared by an Arborist containing specific information on location, condition, potential impacts of development, recommended actions and mitigation measures relating to 1 or more trees on an individual lot or project site

best management practices - Best available, industry-recognized course of action, in consideration of the benefits and limitations, based on scientific research and current knowledge.

branch - A stem arising from a larger-stem; a subdominant stem; the pith in true branches has no connection to the parent stem.

branch bark ridge - Raised strip of bark at the top of a branch union, where the growth and expansion of the trunk or parent stem and adjoining branch push the bark into a ridge.

branch collar - Area where a branch joins another branch or trunk that is created by the overlapping vascular tissues from both the branch and the trunk. Typically enlarged at the base of the branch.

branch protection zone - Chemically and physically modified tissue within the trunk or parent branch at the base of a smaller, subordinate branch that retards the spread of discoloration and decay from the subordinate stem into the trunk or parent branch.

certificate of compliance - A written statement from an Arborist verifying that the conditions associated with a Tree Permit have been satisfied.

city arborist - The City Arborist of Folsom or a duly designated representative.

cleaning - Selective pruning to remove dead, diseased, cracked, and broken branches and foreign objects.

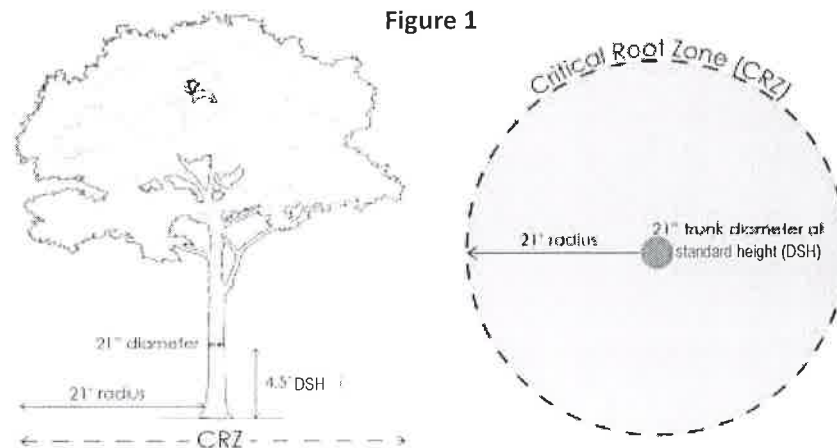
climbing spurs - Sharp devices strapped to a climber's lower legs to assist in climbing poles or trees being removed. Also called spikes, gaffs, irons, hooks, or climbers. Climbing spurs are strictly prohibited from use on trees other than for trees to be removed.

closure - The process in a woody plant by which wound wood grows over a pruning cut or injury.

codominant stem - Forked branches nearly the same diameter (diameter ratios greater than 80%), arising from a common junction and lacking a normal branch union.

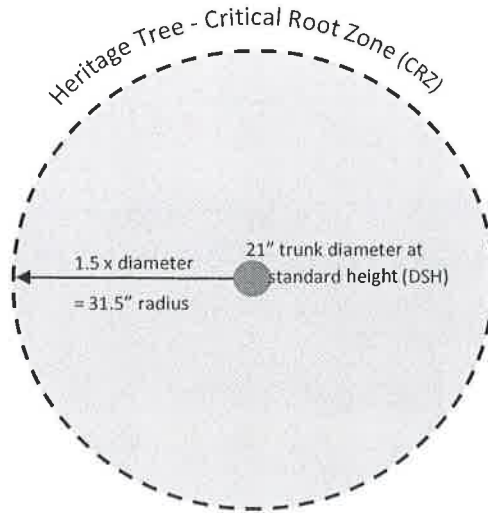
compartmentalization - Natural defense process in trees by which chemical and physical boundaries are created that act to limit the spread of disease and decay organisms.

Critical Root Zone (CRZ). The area of soil extending from the tree trunk where roots required for future tree health and survival are located. This Critical Root Zone area for all trees except Heritage Trees is a circle with a minimum radius of 1 foot for every 1 inch in trunk diameter at DSH. Refer to Figure 1.



For Heritage Trees, the Critical Root Zone area shall be a circle with a minimum radius of 1.5 feet for every 1 inch in trunk diameter at DSH, unless reduced by the City Arborist. Refer to Figure 2.

Figure 2



crown - Upper part of a tree, measured from the lowest branch, including all the branches and foliage.

decay- (noun) An area of wood that is undergoing decomposition. (2) (verb) decomposition of organic tissues by fungi or bacteria.

diameter at standard height (DSH). The diameter of a tree measured at four and one-half (4.5) feet above the ground while standing on the high side of the tree. For a tree other than a Multi-trunked Tree that branches at or below four and one-half feet, DSH shall mean the diameter at the narrowest point between the grade and the lowest branching point. The diameter shall be calculated by use of the following formula:

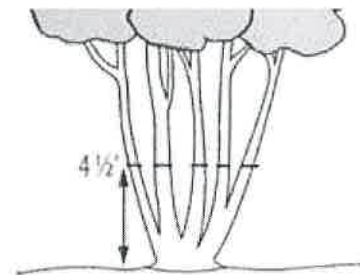
$$\text{diameter} = \text{circumference} / 3.142$$

For Multi-trunked Trees, the DSH shall be the diameter of each stem measured at four and one-half feet above the ground while standing on the high side of the tree added together in total. Refer to Figure 3.

Extrapolated Diameter at Standard Height (DSH). This shall be used for purposes of calculating the mitigation for a Multi-trunked Tree. It is derived from adding the cross-sectional area of each stem measured at four and one-half (4.5) feet above grade to determine a value for the DSH. In a Multi-trunked Tree, this is calculated by taking the square root of the sum of each individual stem's DSH squared. The Extrapolated DSH value is used for determining mitigation and may be calculated using an alternative method acceptable to the City Arborist.

dominant leader/trunk/stem - The stem that grows much larger than all other stems and branches.

Figure 3



dripline radius (DLR). A perfect circle around the tree with the radius being equal to the longest branch of the tree. See Figure 4.

espalier - The combination of pruning, supporting, and training branches to orient a plant in one plane.

good structure/architecture/form - Branch and trunk architecture resulting in a canopy form that resists failure.

hanger - Loose, dangling or unsecured limb in the canopy of a tree.

heading - Cutting a shoot back to a bud, or cutting a branch back to a bud, stub or lateral branch not large enough to assume the terminal role. Cutting an older branch or stem back to a stub or internode.

Heritage Tree - Except for trees listed as “Not Eligible for Heritage Status” on the City’s Master Tree List, a tree on the City’s Master Tree List over 30 inches in DSH or a multi-trunked tree on the Master Tree List having a combined DSH of 50 inches or more.

included bark- Bark that becomes embedded in a crotch (union) between branch and trunk or between codominant stems. Causes weak structure.

internode - The area between lateral branches or buds.

ISA Best Management Practices - Recommended methods for the planting, care, maintenance, pruning of trees prepared by the International Society of Arboriculture.

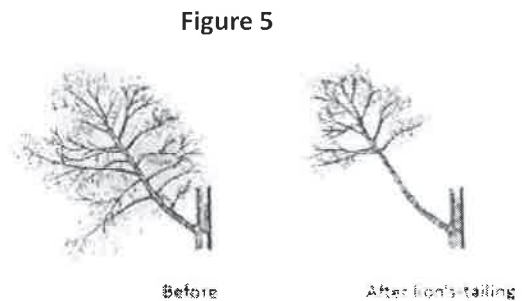
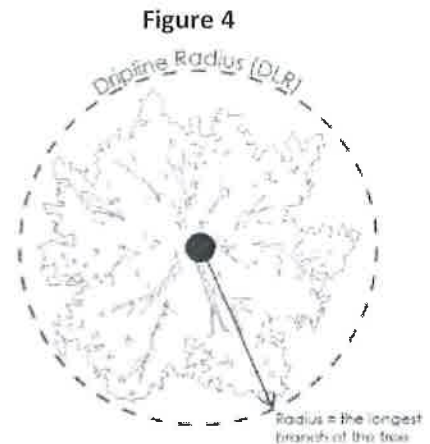
Landmark Tree - A tree or group of trees determined by the City Council to confer a significant community benefit to the general public due to its size, age, location, historic association or ecological value.

lateral - A branch arising from a large stem or branch.

leader - Primary terminal shoot or trunk of a tree. Large, usually upright stem. A stem that dominates a portion of the crown by suppressing lateral branches.

lion’s-tailing - Poor pruning practice in which an excessive number of live branches are thinned from the inside and lower part of specific limbs or a tree crown, leaving mostly terminal foliage. Results in poor branch taper, poor wind load distribution, and a high risk of branch failure. See Figure 5.

major pruning - The cutting of any individual branch or root with a diameter of two inches or greater or a circumference of more than six and one-quarter inches at the location of the cut on such branch or root. It shall also include the cutting of a cumulative amount of more than ten percent of the Root System, the Tree Crown, or a combination of both within a 12-month period.



Master Tree List - A list prepared by the City, as amended from time to time, identifying the species of trees that may be planted as replacement trees, as Parking Lot Shading Trees, or as Street Trees as well as trees that are not-recommended or excluded from protection.

mature tree - Trees that have reached at least 75 percent of their typical final height and spread.

minor Pruning - The cutting of any individual branch or root of less than two inches in diameter at the point of the cut on such branch or root. The cumulative amount of cutting shall not be more than ten percent of the Root System, the Tree Crown, or a combination of both within a 12-month period. Pruning that substantially reduces the overall size or density of the tree or destroys the existing symmetry or natural shape of the tree is not considered Minor Pruning.

MWELO (Model Water Efficient Landscape Ordinance) – Sections 490-495, Chapter 2.7, Division 2, Title 23 in the California Code of Regulations establishes design principals and procedures to promote water efficiency for new and rehabilitated landscapes.

Native Oak Tree - One of the following indigenous species of tree or hybrids of any of the trees listed below, with a minimum diameter as shown in Table 1:

Table 1
Native Oak Trees

Common Name	Botanical Name	Trunk (DSH)	Multi-trunked Combined (DSH)*
Valley Oak	Quercus lobata	6"	20"
Blue Oak	Quercus douglasii	6"	20"
Interior Live Oak	Quercus wislizenii	6"	20"
Coast Live Oak	Quercus agrifolia	6"	20"

*A Native Multi-trunked Tree listed above with a single stem 6 inches or greater shall be considered a Native Oak Tree.

parent branch or stem - A tree trunk or branch from which other branches or shoots grow.

Parking Lot Shading Tree - Any tree planted in a parking lot in order to meet shade coverage requirements and as identified in the Zoning Code.

parts to be removed - The location in the crown of a tree where pruning work will be performed. This can be specified as all of the crown or just the section(s) of the crown to be pruned.

permanent branches (permanent limbs)- In structural pruning of young trees, branches that will be left in place, often forming the initial scaffold framework of a tree.

photosynthesis - Process in green plants (and in algae and some bacteria) by which light energy is used to form glucose (chemical energy) from water and carbon dioxide.

phytotoxic - Term to describe a compound that is poisonous to plants.

pollarding - Specialty pruning technique in which a tree is kept relatively short. Starting on a young tree, internodal cuts are made at a chosen height, resulting in the development of callus knobs at the cut height. Requires regular (usually annual) removal of the sprouts arising from the cuts.

Protected Tree - Trees protected under this Chapter include Native Oak Trees, Heritage Trees, Landmark Trees, and Regulated Trees, as defined herein.

pruning - To cut off or cut back parts a tree to enhance health and structure. Pruning refers to both above surface and underground cutting. See also "Major Pruning" and "Minor Pruning".

protected tree - Trees protected under Folsom Municipal Code 12.16 – *Tree Preservation*. Protected trees include Native Oak Trees, Heritage Trees, Landmark Trees, and Regulated Trees, as defined herein.

raising - Selective pruning to provide vertical clearance; also known as lifting.

reaction zone - Natural boundary formed chemically within a tree to separate damaged wood from existing, healthy wood. Important in the process of compartmentalization.

reducing - Pruning to decrease height or spread on entire tree or one section; also referred to as reduction or reduction pruning.

reduction cut (drop-crotch cut, lateral cut) – A pruning cut that reduces the length of a branch or stem back to a lateral branch large enough to assume the terminal role (at least one third the diameter of the cut stem).

regulated activity - Activities involving Major Pruning of a Protected Tree, activities such as grading, trenching, paving or soil disturbance undertaken within the Tree Protection Zone of a Protected Tree, removal of a Protected Tree, cabling and/or bracing of a Protected Tree, or other activities that may impact the long-term health and survivability of a Protected Tree as may be determined by the City Arborist.

Regulated Tree - Trees required by the City's Zoning Code, (such as Parking Lot Shading Trees and Street Trees), or required as conditions of development project approval (such as landscape buffer or screening trees), or required by this Chapter as mitigation for the removal of a Protected Tree(s).

removal (tree removal) - Removal of most of the above ground portion of a tree by cutting to a stump or to a point on the main trunk where no side branches remain. May also include stump removal.

removal cut (thinning cut) - Cut that removes a branch at its point of origin. Collar cut.

Replacement Tree - A tree required to be planted as mitigation for removal of a Protected Tree in accordance with the requirements of this Chapter.

root system - This configuration of the underground parts or appendages of a tree, providing several functions including anchoring and providing water and nutrients to the tree.

restoration - The process of pruning to improve the structure, form, and appearance of trees that have been improperly trimmed, vandalized, or damaged.

routine maintenance - Includes the following activities: Minor Pruning; dead branch removal; irrigation; mulch application; mowing or trimming grass or other ground cover close to a tree; application of fertilizer, insecticides, or herbicides in accordance with their label; or any other similar activities that promote the life, growth, or health of trees. Any procedure, technique, or practice that is considered unacceptable or prohibited under the City's Tree Care and Maintenance Standards or by this Chapter is not Routine Maintenance.

scaffold limb - A limb or branch that is among the largest diameter on the tree and will remain on the tree perhaps to maturity.

shall - As used in this standard, denotes a mandatory requirement.

shearing - Cutting back exterior growth using internodal heading cuts in one to two-year-old wood resulting in a defined edge with thick outer growth. Outer growth is regularly shaved to maintain the shape and outer density.

shoot - New stem or branch growth on a plant.

should - As used in this standard, denotes an advisory recommendation.

specifications - Detailed plans, requirements, and statements of particular procedures and/or standards used to define and guide work.

stem - Woody structure bearing foliage and buds that gives rise to other stems (branches).

Street Tree - A tree of an approved species in accordance with the Folsom Master Tree List located within 12.5' of a street or sidewalk, measured from the back of the sidewalk or back of curb if no sidewalk exists. Street Trees can be either privately or publicly owned.

structural pruning- Pruning to establish a strong arrangement or system of scaffold branches.

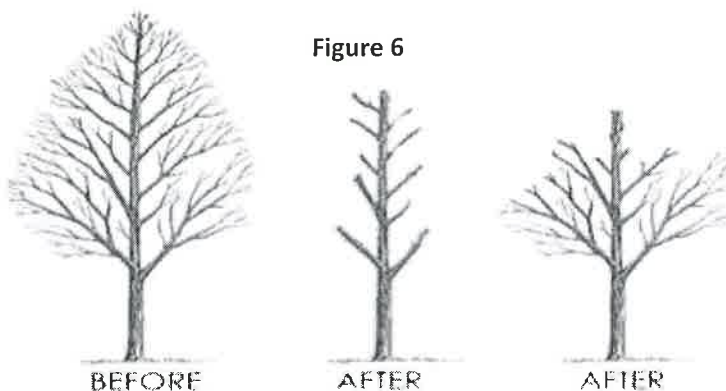
stub - Portion of a branch remaining after a stub (heading) cut, branch breakage, or branch death.

subordination - Pruning to reduce the size and ensuing growth of a branch in relation to other branches or leaders.

terminal leader. This is the vertical stem(s) at the top of the trunk of a tree.

thinning - In pruning, the selective removal of live branches to provide light or air penetration through the tree or to lighten the weight of the remaining branches.

topping - A type of pruning that is not Routine Maintenance and involves the removal of tops of trees, or large branches or trunks from tops of trees, usually at internodes, leaving large stubs or lateral branches that are too small to assume the role of a Terminal Leader. Topping is strictly prohibited. See Figure 6.



tree - A large woody perennial plant having a single, usually elongated stem, generally with few or no limbs on its lower part; or any of the species listed in the Master Tree List including all their cultivars, varieties and hybrids.

tree crown - This is the top part of the tree, which features branches, foliage, flowers, and seeds that grow out from the main trunk and support the various leaves used for photosynthesis.

tree permit - A permit issued by the City covering any Regulated Activity affecting a Protected Tree, which may be a Tree Work Permit or a Tree Removal Permit or both.

Tree Protection and Mitigation Plan (TPMP) - A report and/or plan submitted for review and approval before the start of any Regulated Activity.

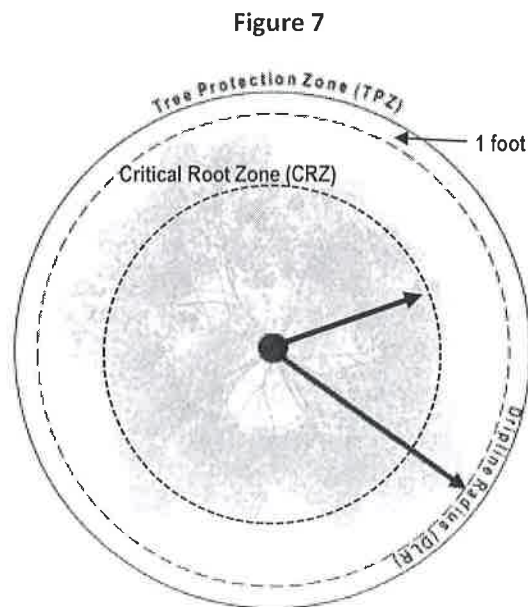
Tree Protection Zone (TPZ) - The circumference of the outermost edge of a tree's Critical Root Zone or Drip-line Radius, whichever is greater, plus one foot. When depicted on a map, the Tree Protection Zone will appear as a perfect circle, or group of overlapping circles for multiple trees. Refer to Figure 7.

trunk - Stem of a tree.

trunk flare- (1) The area at the base of the plant's trunk where it broadens to form roots. (2) The area of transition between the root system and trunk.

union (crotch) - The junction between a stem and branch or between stems.

vista/view prune - Pruning to enhance a specific view without jeopardizing the health of the tree.



wound - An opening that is created when the bark of a live branch or stem is cut, penetrated, damaged, or removed.

wound dressing – A compound applied to tree wounds or pruning cuts. Thus far, no studies have shown wound dressing techniques to be effective in assisting trees with compartmentalization of wounds.

WUCOLS – “Water Use Classification of Landscape Species” is a publication by the University of California Division of Agriculture and Natural Resources that classifies the irrigation needs of most common landscape plants.

SECTION A: TREE PLANTING

The following standards apply to the planting of any protected tree. Additional visual references can be found in the planting details in Appendix B.

A-1.0 Tree Selection

- A-1.1** Consideration shall be given to tree species with regard to the planned planting location and observable site constraints
- A-1.2** Plant selection for wildland urban interfaces and parcels adjacent to open space shall be in accordance with the Folsom Plant List for Defensible Space.
- A-1.3** When establishing the placement of a tree, the following minimum distances shall be required whenever feasible:
 - A-1.3.1** Four feet from utility installations including, but not limited to sewers, gas, water lines, meter vaults, catch basins, etc.
 - A-1.3.2** Five feet from sidewalks and other hardscape areas or the distance specified in the Folsom Master Tree List per species (whichever is greater).
 - A-1.3.2.1** Where the minimum required distance from infrastructure cannot be met, installation of City approved root barrier is required.
 - A-1.3.2.2** As part of the City’s review of plans and permit applications, the City retains the right to prohibit usage of inappropriate species for landscape areas too small to accommodate the mature tree size.
 - A-1.3.3** Ten feet from hydrants
 - A-1.3.4** Ten feet from stop signs
 - A-1.3.5** Twenty feet from light standards

A-1.4 Except for projects utilizing a City approved tree mitigation plan, all tree installation projects shall maintain the following diversity requirements:

A-1.4.1 Projects that entail the installation of less than 20 trees should attempt, whenever possible, to provide a diverse variety of trees with a mixture of genera, species, and cultivars.

A-1.4.2 Projects that entail the installation of more than 20 trees, but less than 60 trees shall not have more than:

A-1.4.2.1 35% of any one genus;

A-1.4.2.2 30% of any one species; and

A-1.4.2.3 25% of any one cultivar.

A-1.4.3 Projects that entail the installation of 60 or more trees shall not have more than:

A-1.4.3.1 35% of any one genus;

A-1.4.3.2 30% of any one species; and

A-1.4.3.3 25% of any one cultivar.

A-1.5 All trees shall be true to name as ordered or shown on planting plans

A-1.6 All trees shall comply with federal and state laws and regulations requiring inspection for plant disease, pests, and weeds

A-2.0 Preparing the Planting Area

A-2.1 The planting hole shall be dug to a depth 1"-2" less than the depth of the root ball. When placed in the hole, the root crown of the tree shall be 1-2" above finished grade.

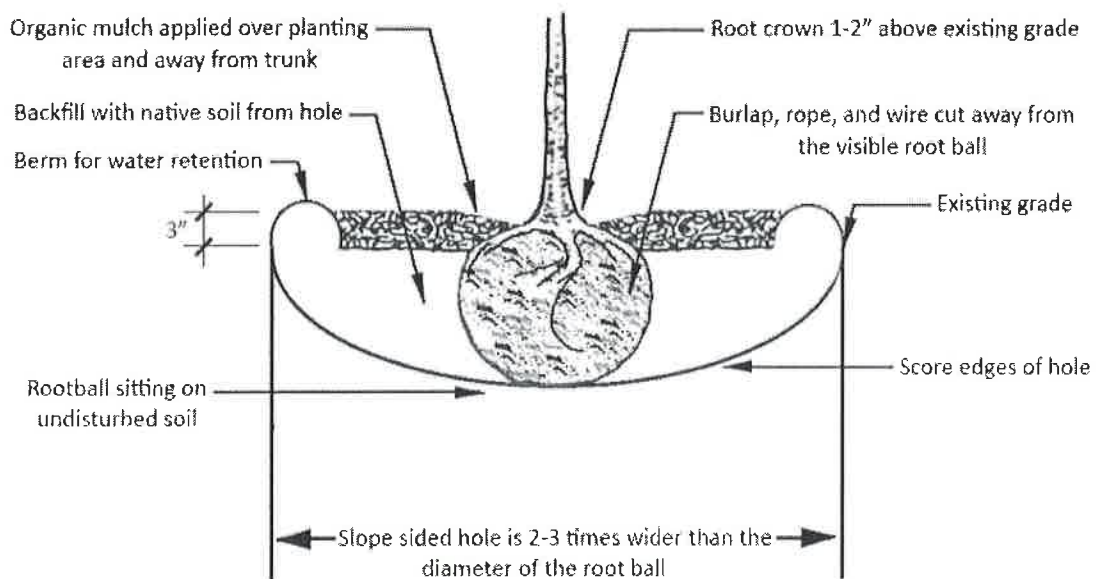
A-2.2 The planting hole shall be dug to a minimum of two times the diameter of the root ball.

A-2.3 Hard, smooth edges within the planting hold shall be avoided. A shovel or other hand tool shall be used to score the edges of the planting hole to loosen the native soil. This loose soil along the edges of the planting hole will promote rapid root growth and quick establishment.

A-3.0 Installing the Tree

- A-3.1 Soil on the top of the root ball shall be removed as necessary to expose the root collar.
- A-3.2 Girdling roots or roots growing over the root collar shall be removed as necessary.
- A-3.3 When possible, orient the tree so that it faces the same compass direction as it did when it was growing in the nursery. If the tree cannot be oriented as before, it may be necessary to protect the trunk of thin-barked trees from sunscald.
- A-3.4 Remove or cut away the root ball container (usually plastic or wood containers) before placing the root ball in the planting hole. Ropes and burlap shall be cut away from the root ball prior to backfilling.
- A-3.5 Any circling roots within the root ball should be loosened or cut as necessary. Avoid excessive root removal.
- A-3.6 Unless otherwise recommended by a soils report backfill material should be native soil.
- A-3.7 Minimize air pockets by packing gently and applying water. Build a berm 3-4" tall around the root ball to direct water percolation into the root ball.

Figure 8 – Tree Planting Hole



A-4.0 Mulching – A layer of organic mulch, such as leaf litter, shredded bark, or wood chips helps conserve moisture in the soil and improve soil quality over time.

A-4.1 Apply a layer mulch at a depth of 3 to 4 inches around the newly planted tree.

A-4.1.1 For trees planted from a 15-gallon container or smaller, spread the mulch layer out to a radius of approximately 30" from the base of the tree.

A-4.1.2 For trees larger than a 15-gallon, spread the mulch layer out to a minimum radius of 48" from the base of the tree.

A-4.2 Mulch shall not directly contact the trunk of the tree.

5.0 Staking – When installed properly, stakes can assist young trees in developing erect, central leaders and allow the roots to take anchor. Figure 9 on the following page illustrates a properly staked tree. The following shall be applied when taking young protected trees:

A-5.1 Wires or other rigid materials that could potentially cause trunk girdling shall not be used as stake ties.

A-5.2 Stakes shall be driven into the ground outside the root ball.

A-5.3 Ties shall be loose enough to allow the trunk some movement from wind. Trees tied too tightly will develop weak trunks.

6.0 Irrigation

A-6.1 Trees shall be deeply watered immediately following installation.

A-6.2 Irrigation systems should be designed to prevent direct contact of water on trunks of newly planted trees.

A-6.3 Irrigation systems shall be designed to comply with the most current version of the state's Model Water Efficient Landscape Ordinance (MWELO).

A-6.4 For new landscape installations, trees shall be irrigated on a separate valve from shrubs, groundcovers, and lawns.

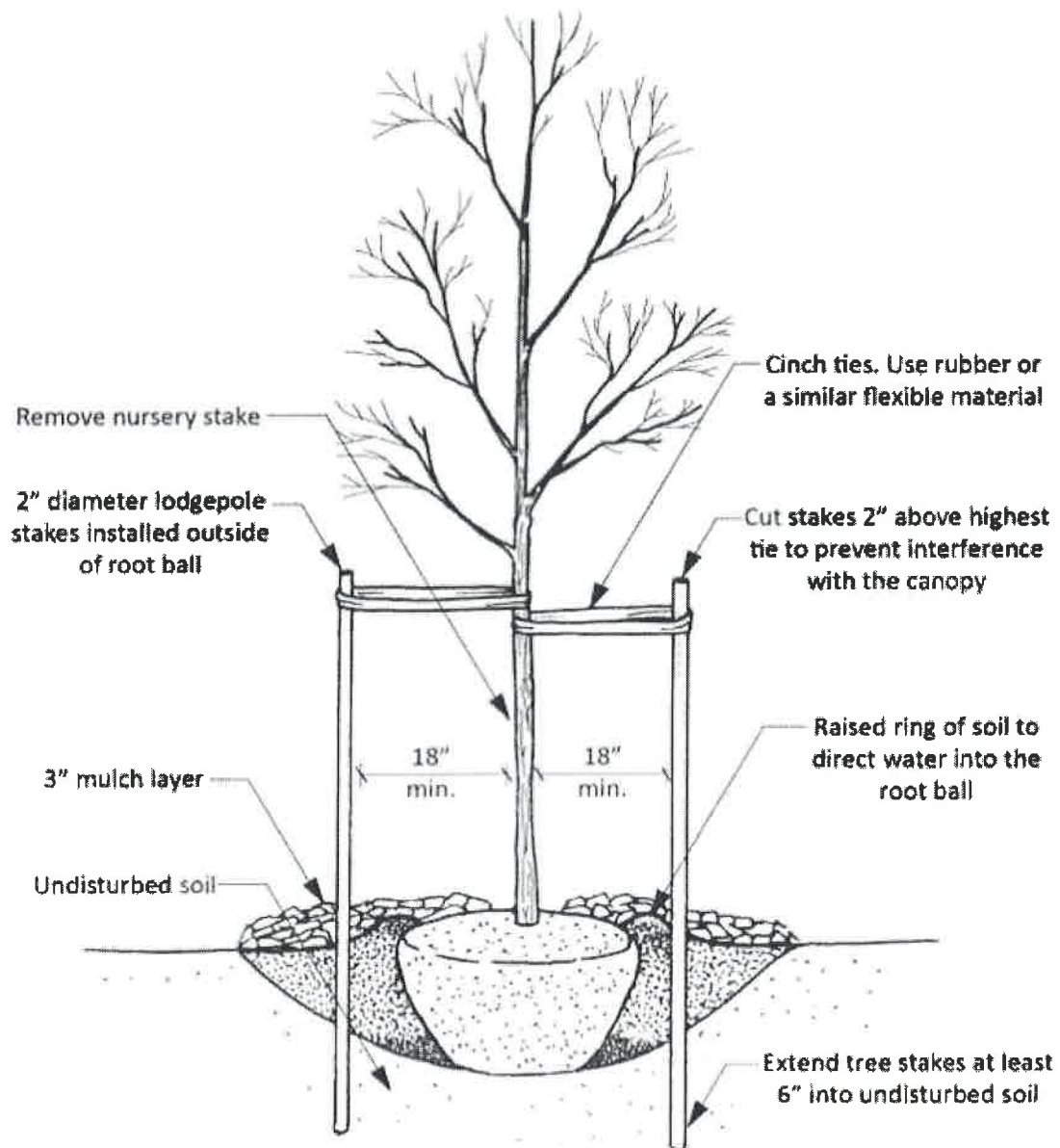
A-6.5 For rehabilitated landscape installations, trees shall be irrigated on a separate valve from shrubs, groundcovers, and lawns wherever feasible.

A-6.6 Irrigation systems shall be designed so that separate remote-control valves are used to irrigate trees with differing water needs in accordance with WUCOLS

A-6.7 Trees irrigated on the same hydrozone shall have similar WUCOLS ratings. Where trees with adjacent WUCOLS ratings are irrigated on the same valve, the highest WUCOLS rating shall be used to determine the Plant Factor for that hydrozone for the purposes of calculating Estimated Total Water Use (ETWU).

A-6.8 Planting trees in lawn areas should be avoided wherever possible.

Figure 9 – Tree staking



SECTION B: TREE PRUNING

When executed properly, pruning can provide a multitude of benefits for tree health, public safety, and general welfare. The opposite is true for improper pruning: when poorly performed, pruning can be injurious to trees and have negative impacts on aesthetics and safety.

Pruning live branches reduces a tree's ability to photosynthesize and produce sugars. Pruning also creates wounds the tree must expend energy to close and defend. Therefore, the costs and benefits of pruning live limbs should be weighed when establishing pruning objectives.

These pruning standards are intended to guide the user in proper pruning practices and highlight important factors to consider when developing pruning goals.

B-1.0 Tree Permit Required – Where the scope of the intended pruning activities on a protected tree entails cuts greater than 2" in diameter on live limbs or the removal of more than 10% of the tree's canopy, a Tree Work Permit application shall be submitted to the City's Community Development Department for review and approval. A submitted Tree Work Permit application shall contain the following:

B-1.1 Filled out application form supplied by the City;

B-1.2 ISA certification number of the project arborist to perform the work; and

B-1.3 A description of the pruning specifications proposed for the permit application. The pruning specifications should outline the pruning objective, and the number, size, and types of cuts required to achieve the pruning objective.

The Community Development Department may approve, modify, approve with conditions, or deny the permit application in accordance with Folsom Municipal Code 12.16.

B-2.0 Project Arborist Required – Where the scope of the intended pruning activities requires a Tree Permit per the criteria above, an ISA certified arborist shall perform or supervise the tree work.

B-3.0 Pruning Objectives – When a Tree Permit is required, no tree shall be pruned without a clearly defined objective. Appropriate objectives to consider may include:

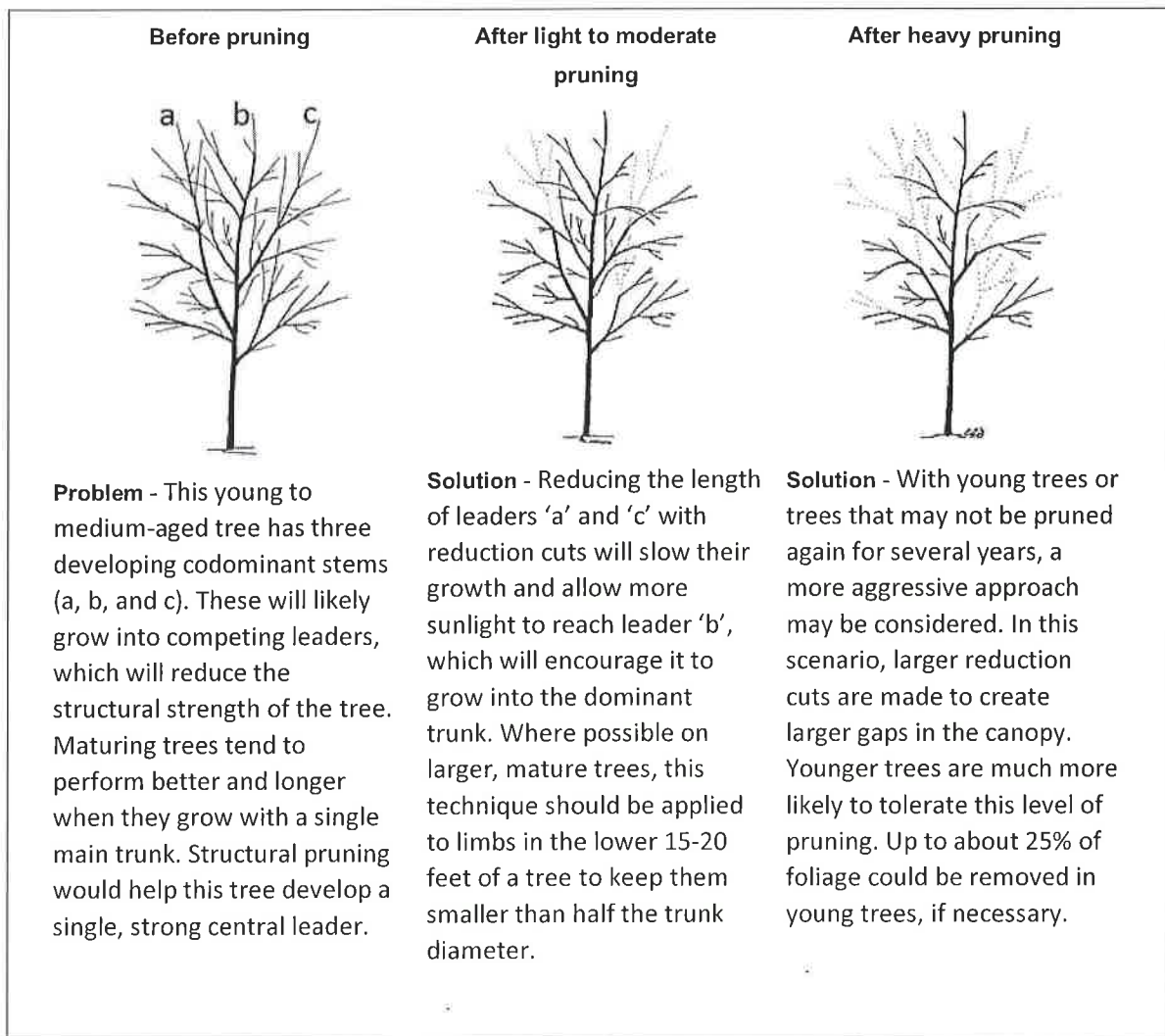
B-3.1 Improving Structure – This objective consists of selective cuts to improve the stem and branching architecture primarily in young and medium aged trees. In addition to developing strong architecture, structural pruning can promote or discourage branch growth in a certain direction (directional pruning). This can help minimize future interference with people, traffic, buildings, utilities, and lighting.

B-3.1.1 Dominant leader(s) should be selected for development as appropriate

B-3.1.2 Identify the intended lowest branch of the permanent canopy

- B-3.1.3** Strong, properly spaced scaffold branch structure should be selected and maintained by reducing or removing other branches
- B-3.1.4** Temporary branches should be retained or reduced as appropriate
- B-3.1.5** Interfering, overextended, defective, weak and/or poorly attached branches should be removed or reduced

Figure 10 – Tree Pruning



- B-3.2 Risk Mitigation** – Pruning to reduce the risk of branch, stem, or whole tree failure. This is often a primary concern for mature trees. Conditions and defects to consider for risk mitigation pruning are outlined in Table 2 and Table 3 below.

Table 2 - Conditions that increase the likelihood of branch failure and can be mitigated through pruning:	
▸ dead branches	▸ limbs with cracks
▸ branches with cavities	▸ broken or detached limbs
▸ hangers	▸ excessively long branches
▸ overly large branches	▸ Limbs with weak attachments

Table 3 - Conditions that increase the likelihood of trunk or root failure:	
▸ buried root collar	▸ excessive soil moisture
▸ cavities and decay in the trunk	▸ girdling roots
▸ excessive lean	▸ root decay
▸ cut roots from construction activity	▸ codominant stems with included bark

The best way to prevent a high likelihood of failure in mature trees is to perform routine structural pruning on trees while they are young or middle aged in order to develop strong form and architecture. As trees mature, pruning to correct structural defects can prove injurious to trees due to the increased size of the cuts required to mitigate the risk.

B-3.3 Clearance – In order to maintain public safety, it is often necessary to prune trees to accommodate surrounding site conditions. The following standards apply to owners of Protected Trees:

B-3.3.1 Trees shall be pruned as needed to maintain a minimum vertical clearance of 14.5' over a street.

B-3.3.2 Trees shall be pruned as needed to maintain a minimum vertical clearance of 8' over bike paths.

B-3.3.3 Trees shall be pruned as needed to maintain a minimum vertical clearance of 7' over sidewalks.

B-3.3.4 Trees shall be pruned as needed to maintain a minimum distance of 10' from chimneys.

B-3.3.5 Trees should be pruned as needed to maintain a minimum distance of 5' over roofs.

B-3.4 Tree Health – Also referred to as “sanitation pruning” or “cleaning”, pruning to improve tree health entails the removal or reduction of dead branches or limbs infested by pests and disease.

B-3.4.1 Location and parts to be removed shall be specified prior to commencement of work.

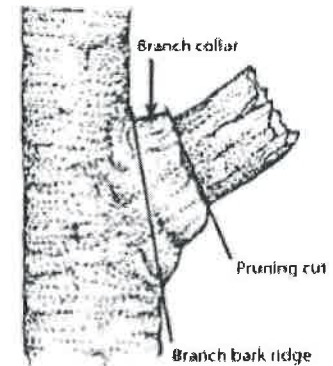
- B-3.4.2** Pruning equipment shall be properly sanitized as appropriate between cuts to prevent the spread of disease-causing pathogens.
- B-3.5 Reduce Density** – This objective aims to lessen branch and foliage density within the crown of a tree. This practice is also referred to as “thinning” and may be performed to increase wind or light penetration.
- B-3.5.1** Thinning should result in an even distribution of live branches on individual branches throughout the crown.
- B-3.5.2** Lion’s-tailing is a poor pruning practice and shall not occur when pruning live branches for the purposes of thinning.
- B-3.5.3** Location and parts to be removed shall be specified prior to commencement of work.
- B-3.6 Restoration** – Corrective pruning may be necessary when trees have been damaged by high winds or incurred poor pruning, vandalism, or other mechanical injuries. Pruning performed for the purposes of correcting mechanical damage to reinstate tree structure is called “Restoration” pruning. Crown restoration is usually accomplished over several pruning cycles.
- B-3.6.1** Location and parts to be removed shall be specified prior to commencement of work.
- B-3.7 Size Management** – When proper pruning practices are employed, the overall size or spread of a tree can be appropriately managed. This type of pruning is done to minimize risk of failure and to reduce height or spread.
- B-3.7.1** Not all trees can be reduced. Therefore, the species and plant health shall be considered prior to commencement of work.
- B-3.7.2** Crown reduction shall be accomplished using reduction and removal cuts. The tree’s form, branch structure, health and structural integrity shall be considered in determining the appropriate amount of reduction to meet the objective.
- B-3.7.3** Topping shall not be used as a pruning technique to reduce tree size.
- B-3.7.4** Location of parts to be removed or clearance requirements shall be specified prior to commencement of work.

B-4.0 Types of Pruning Cuts

Figure 11 – Branch Removal Cut

- B-4.1 Branch Removal Cut** – Also known as thinning or removal cuts, a branch removal cut removes the smaller of two branches at a union with the parent stem (see Figure 11).

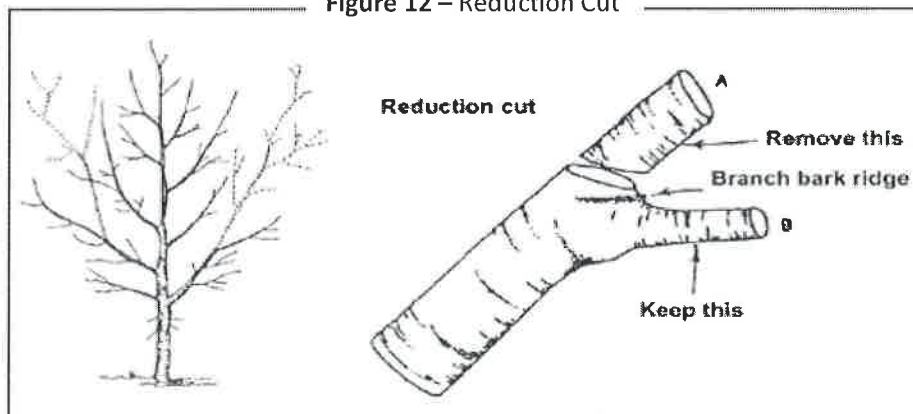
When making a branch removal cut, it is important to retain the branch collar and branch bark ridge. “Flush cuts” shall be avoided. Making a flush cut is the act of removing a limb at a union, including the branch collar and branch bark ridge. Flush cuts are difficult for trees to compartmentalize and create avenues for decay organisms to enter the tree.



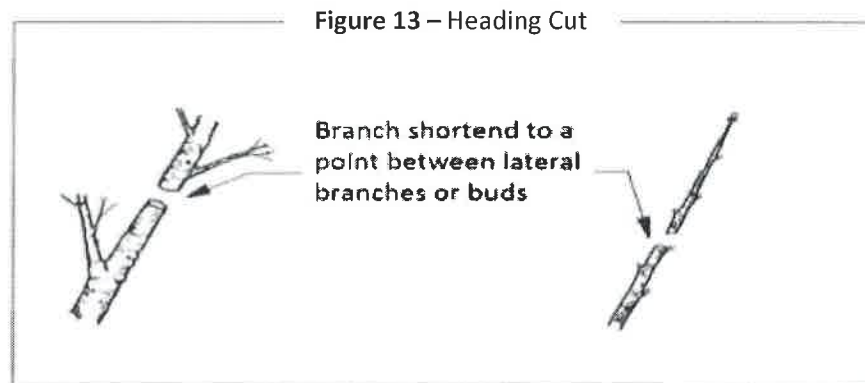
- B-4.2 Reduction Cut** – Also known as “cutting to a lateral”, a reduction cut removes the larger of two or more branches or stems to a live lateral branch or stem (see Figure 12). When possible, the limb to be retained should be at least one-third the diameter of the limb or stem being removed in order to assume the terminal role.

Trees may not be able to close pruning wounds from reduction cuts as well as branch removal cuts. Reduction cuts greater than 4 inches in diameter should be avoided whenever possible. The smaller the cut, the better able a tree will be able to close the wound.

Figure 12 – Reduction Cut



- B-4.3 Heading Cut** – This type of cut removes a branch between nodes to a bud, or to a branch less than one-third the diameter of the branch or stem being removed. Except for specific circumstances, this type of cut is rarely appropriate for medium aged and mature trees. Circumstances that may warrant a heading cut include: to start a pollard, to remove old flowers or fruit, for structural development in young trees, and to avoid removal of a large limb that would otherwise require a cut at the trunk or a scaffold limb (See Figure 13 on the following page).



B-4.4 Shearing Cut – This type of cut involves the removal of leaves, twigs, and small branches to a desired plane or shape. Shearing is a common pruning practice used for shaping topiaries and hedges and often results in a dense outer canopy and sparse inner canopy.

B-5.0 When to Prune – The timing of when to prune a tree depends entirely on the objectives being employed. Risk mitigation pruning, for example, should be performed as soon as possible to ensure public safety. Additionally, limbs identified as diseased should be removed in a timely manner to prevent the issue from spreading. Removal of dead, diseased, and broken branches can take place at any time with little negative impact to the tree.

Insects are less active during the winter months and wound closure is generally fastest during the spring, making these the ideal seasons for routine pruning to improve structure, provide clearance, and promote tree health.

Tree growth rate can be reduced by waiting until early summer (after the initial spring growth flush) to prune. In some cases, reduced growth rate may be the goal. However, removing live branches from stressed trees or trees in decline during this time of year, may worsen the tree's condition by further reducing energy reserves.

B-6.0 How Much to Prune – The amount of canopy that should be removed from a tree depends on the pruning objectives. Generally, the extent of the pruning scope should be as minor as possible to achieve the established pruning goals. Pruning more than 10% of a Protected Tree's canopy requires a Tree Permit.

B-6.1 Pruning Young Trees – Young trees are more vigorous than their mature counterparts and, therefore, are more tolerant of a pruning scope that may otherwise be considered aggressive. Establishing strong architecture should be a primary pruning goal with young trees to develop a strong central leader and select properly spaced scaffold branches. This may sometimes mean removal of 25% or more of the tree's canopy.

B-6.2 Pruning Mature Trees – The extent of branch removal in mature trees should be as minimal as possible to achieve the pruning objective. When pruning mature trees:

- B-6.2.1** The smallest cuts possible shall be performed in order to achieve the pruning goals.
- B-6.2.2** Removal of multiple small branches shall be selected over the removal of a single large branch wherever possible.
- B-6.2.3** Poor pruning practices such as lions-tailing shall be avoided

B-7.0 Prohibited Pruning Practices – The following actions shall be prohibited on Protected Trees:

- B-7.1** The use of climbing spurs (also known as climbing gaffs or climbing hooks) while performing pruning activities.
- B-7.2** The excessive removal of live interior and lower lateral branches (known as lion’s-tailing).
- B-7.3** Topping.
- B-7.4** Performing pruning activities outside the scope of an issued Tree Permit.

SECTION C: TREE PROTECTION DURING CONSTRUCTION

Site disturbance from grading and construction activities can have significant negative impacts on the health and longevity of trees. It is for this reason the following standards have been established. The items and actions delineated in this section shall be executed where construction activity encroaches into the Tree Protection Zone (TPZ) of any protected tree.

C-1.0 Tree Permit Required – A Tree Permit is required for any regulated activities undertaken within the TPZ of a protected tree. Prior to any site disturbance, the applicant shall supply a tree permit application package to the Community Development Department, which shall include the following:

- C-1.1** Application form supplied by the Community Development Department;
- C-1.2** Arborist Report prepared by an ISA certified arborist; and
- C-1.3** Tree Protection and Mitigation Plan.

The Community Development Department may approve, modify, approve with conditions, or deny the permit application in accordance with Folsom Municipal Code 12.16.

- C-2.0 Project Arborist Required** – Where regulated activity encroaches into the TPZ of a protected tree, an applicant shall retain the services of an ISA certified arborist (to be known as the project arborist) to perform the following duties:
- C-2.1** Prepare an Arborist Report in accordance with C-3.0 of this document and FMC 12.16.140(B).
 - C-2.2** Assist the applicant in the preparation of a Tree Protection and Mitigation Plan in accordance with Section C:4.0 of this document and FMC 12.16.140.
 - C-2.3** Implement the recommendations for tree preservation as outlined in the City-approved Tree Protection and Mitigation Plan.
 - C-2.4** Monitor the health of all protected trees potentially impacted by the construction activities throughout the duration of the development project.
 - C-2.5** Monitor the health of all trees planted as mitigation throughout the duration of the monitoring period as approved by the City Arborist.
 - C-2.6** Supervise and direct all regulated activity within the TPZ of protected trees.
 - C-2.7** Assist the applicant in the execution of all prescribed recommendations by the project arborist to lessen impacts and promote tree health.
 - C-2.8** Prepare a certificate of compliance at the conclusion of the project, attesting compliance with the standards outlined herein and the conditions of the tree permit.

The City may request a copy of the executed contract between the applicant and project arborist prior to issuance of a Tree Permit.

- C-3.0 Arborist Reports** – The project arborist shall prepare a document containing the following and any other information determined to be necessary by the City Arborist:
- C-3.1** The date of the report, address of the project, property owner information, and the project arborist's contact information
 - C-3.2** A statement of qualifications of the project arborist and any other individuals who assisted in the preparation of the arborist report and Tree Protection and Mitigation Plan
 - C-3.3** A survey of all trees potentially impacted by the proposed regulated activities. The survey shall include the following information for each tree:
 - C-3.3.1** Tag number identification

C-3.3.2 Botanical name

C-3.3.3 Common name

C-3.3.4 DSH

C-3.3.4.1 In the case of multi-stemmed trees, the diameter of each stem shall be listed.

C-3.3.5 Dripline radius

C-3.3.6 TPZ radius

C-3.3.7 Field notes on health, structure, defects, site conditions, and any other information the project arborist deems relevant

C-3.3.8 Tree condition rating based on health and structure. The tree condition rating shall be determined on a scale of 0-5 (See Table 4).

Table 4 – Tree Rating System

Rating	Rating	Rating Description
Excellent	5	Tree appears near perfect. Excellent structure and vigor.
Good	4	Good structure and vigor. Any problems are correctable.
Fair	3	Minor to moderate problems are present but can be managed.
Poor	2	Major structural or health problems. Retention is questionable.
Hazardous/uncorrectable	1	Problems are extreme. Likelihood of failure is high.
Dead	0	Dead

C-3.3.9 Development impact assessment shall be based on the most recent development plans. The impact assessment shall consider grading activity, excavation, necessary clearance pruning, anticipated soil compaction, construction and vehicular access, and any other site disturbance the project arborist deems relevant.

C-3.3.10 Management, preservation, and protection actions to be executed for each tree, based upon the development impact assessment to minimize impacts and ensure long term tree health. This section shall address the TPZ fencing perimeter, necessary pruning, soil protection, trunk protection, irrigation, mulching, and any other actions the project arborist deems necessary.

C-4.0 Tree Protection and Mitigation Plans – The Tree Protection and Mitigation Plan (TPMP) shall be prepared by an arborist or other licensed professional, as approved by the approving authority, and contain the following information:

C-4.1 Existing and proposed characteristics including:

- C-4.1.1** Property lines.
- C-4.1.2** Streets, access easements and/or public or private driveways and other paved areas.
- C-4.1.3** Buildings, structures, and setbacks.
- C-4.1.4** Existing utilities above and below ground.
- C-4.1.5** Parking and other paved areas.
- C-4.1.6** Land uses on the parcel (existing and proposed).
- C-4.1.7** Proposed grading and construction, including utilities.
- C-4.1.8** Any other information determined to be necessary by the Approving Authority.

C-4.2 Existing tree information, including:

- C-4.2.1** The exact TPZ as described in the arborist report. Trees on neighboring properties with TPZs that overlap into the property shall be included.
- C-4.2.2** The exact location, both vertically and horizontally, of the base of each tree.
- C-4.2.3** The physical tag number for each tree, consistent with the arborist report.
- C-4.2.4** Trees proposed for removal.
- C-4.2.5** Trees proposed for preservation.
- C-4.2.6** The contact information of the project arborist.
- C-4.2.7** Tree preservation notes outlining actions to be executed for the purposes of minimizing construction impacts to trees planned for retention.

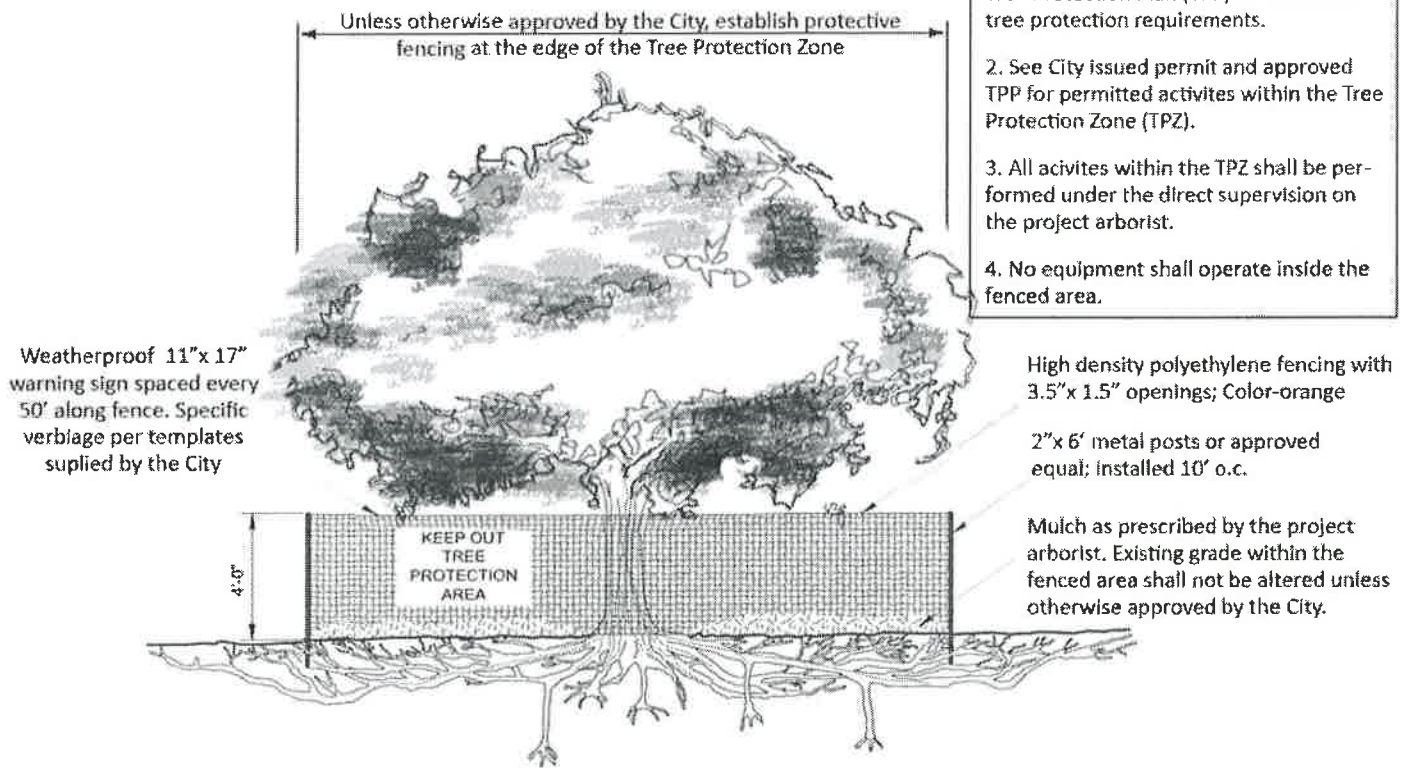
C-4.3 Replacement tree information, including:

- C-4.3.1** A planting plan showing the size, species, and locations of trees to be planted as mitigation for the removal of protected trees.
- C-4.3.2** Irrigation design plan showing the methods and scheduling for irrigating the replacement trees.
- C-4.3.3** Timeline and schedule for the proposed monitoring and maintenance plan of the replacement trees by the project arborist.
- C-4.3.4** The contact information of the project arborist.

C-5.0 **Standards for Tree Protection Zones** – The following standards apply to all permitted site disturbance activities within the TPZ of protected trees.**C-5.1** The following actions shall take place prior to any site disturbance:

- C-5.1.1** High-visibility exclusionary fencing shall be installed to protect the TPZ of all protected trees in proximity to the regulated activity. Unless otherwise approved by the City, the exclusionary fencing shall encompass the entire TPZ (See Figure 14 on the following page).
- C-5.1.2** Weatherproof warning signs shall be affixed to the TPZ fencing. The signs shall be a minimum dimension of 11" x 17", posted on all sides of fences and spaced a maximum of 50' apart. The signs shall state that enclosed tree(s) are to be preserved and the penalty for damage to, or removal of, the protected tree(s).
- C-5.1.3** Any pruning for construction clearance at the recommendation of and under the supervision of the project arborist.
- C-5.1.4** Any soil or trunk protection prescribed by the project arborist.
- C-5.1.5** Any other pre-construction measures prescribed by the project arborist.

Figure 14 – Securing the Tree Protection Zone



- NOTES:**
1. See City issued permit and approved Tree Protection Plan (TPP) for additional tree protection requirements.
 2. See City issued permit and approved TPP for permitted activities within the Tree Protection Zone (TPZ).
 3. All activities within the TPZ shall be performed under the direct supervision on the project arborist.
 4. No equipment shall operate inside the fenced area.

C-5.2 The following actions shall take place during site disturbance and construction activities:

C-5.2.1 All work to be performed inside the TPZ of trees to be preserved shall be supervised by the project arborist.

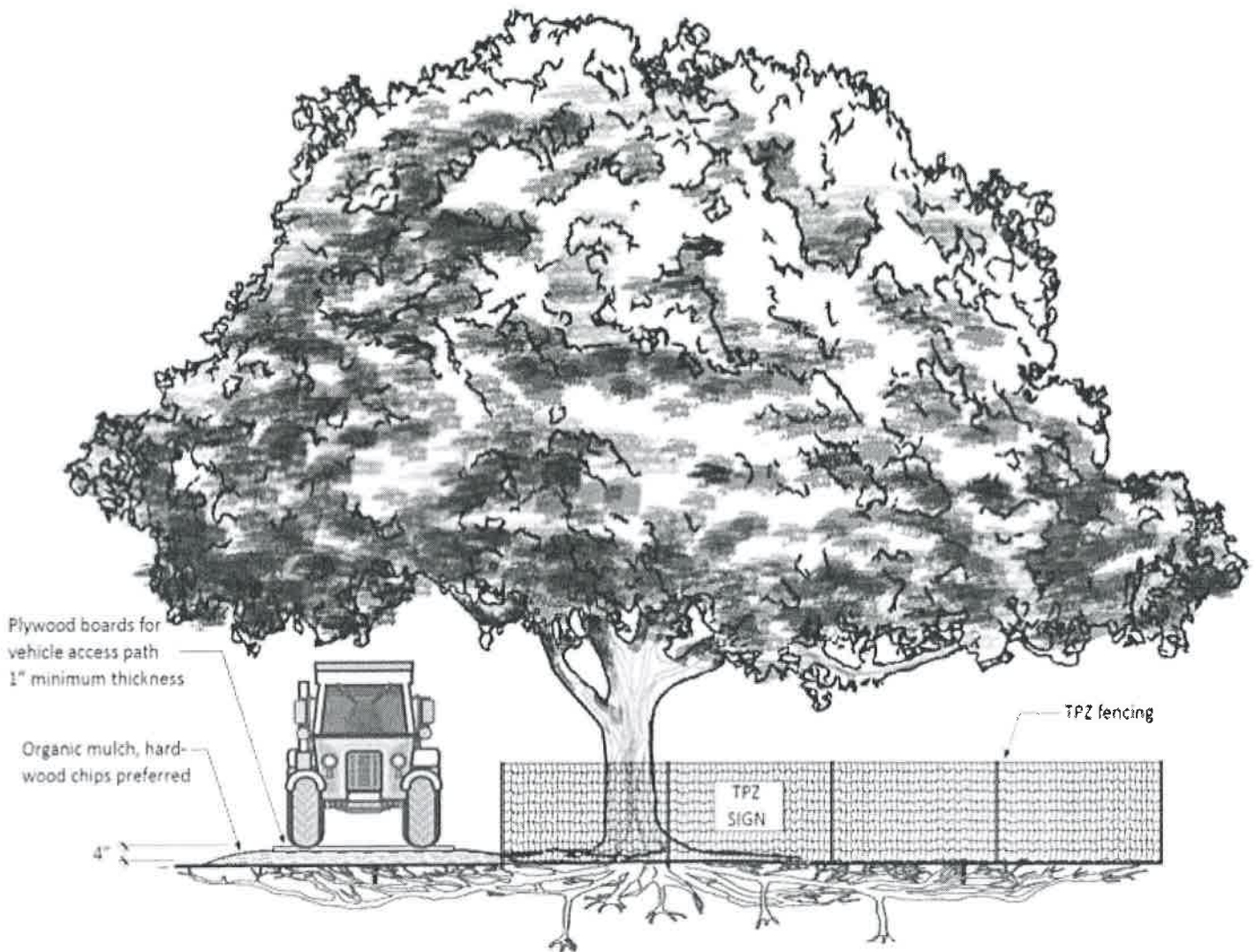
C-5.2.2 Removal of tree stumps within the TPZ of trees to be preserved shall be performed via grinding using a stump router or left in place.

C-5.2.2.1 Removal of tree stumps within the TPZ of trees to be preserved via excavation equipment such as tractors or backhoes is strictly prohibited.

C-5.2.3 Any approved trenching inside the TPZ of trees to be preserved shall be performed by hand, by hydraulic air spade, placing pipes underneath roots, or by boring deeper underneath the roots.

C-5.2.3.1 Refer to Appendix B, LS-08 for specifications on boring underneath tree roots.

- C-5.2.4 Any necessary root severance shall be performed with sharp, sterile hand tools. Roots that have been ripped, torn, or crushed shall be traced back to undamaged tissue and cut cleanly, resulting in a flat surface with the adjacent bark firmly attached.
- C-5.2.5 Roots exposed from grade cuts shall not be allowed to dry out. Cut faces shall be moistened and covered until backfilled.
- C-5.2.6 Where construction access through the TPZ is necessary, the soil shall be protected via the installation of an access path. The access path shall be comprised minimally of 1" minimum thickness plyboards laid over a 4" layer of mulch (See Figure 15).



- C-5.3** The following actions are prohibited within the TPZ of protected trees at all times:
- C-5.3.1** Parking of vehicles, equipment, or storage of material within the TPZ, unless otherwise approved by the City.
 - C-5.3.2** Breaking roots with a backhoe or crushing them with a grader.
 - C-5.3.3** Wounding or breaking tree trunks or branches through contact with vehicles or heavy equipment.
 - C-5.3.4** Contamination of soil by washing out equipment or vehicle maintenance.
 - C-5.3.5** Performing any regulated activity without a City issued Tree Permit or performing regulated activities outside the scope of a City issued Tree Permit.
- C-5.4** The following actions shall take place at the conclusion of permitted activities:
- C-5.4.1** The applicant shall supply a Certificate of Compliance from the project arborist to the City attesting compliance with the conditions of the tree permit and all prescribed recommendations in the City-approved arborist report.

SECTION D: LANDSCAPING NEAR EXISTING TREES

Trees can be easily damaged or killed from the impacts of trenching for irrigation lines and incompatible irrigation applications. The following standards apply to landscape installation within the TPZ of existing protected trees.

D-1.0 Standards for landscape installation near existing protected trees

- D-1.1** Landscaping near Protected Trees other than Native Oak Trees
- D-1.1.1** Unless otherwise included within the scope of a City issued Tree Permit and City approved Tree Protection Plan, trenching for the installation of underground irrigation lines within the TPZ is prohibited.
 - D-1.1.2** Plant material such as shrubs and groundcover installed within the TPZ of a non-native oak shall have the same or adjacent WUCOLS rating of the subject tree.
 - D-1.1.3** Planting holes for the installation of shrubs and groundcover within the TPZ of protected trees shall be dug by hand. Cutting tree roots 1" and larger for the purposes of installing plant material within the TPZ shall be avoided.

D-1.1.4 Irrigation systems shall be designed to prevent direct water contact to tree trunks.

D-1.2 Landscaping near Native Oak Trees

D-1.2.1 Unless otherwise included within the scope of a City issued Tree Permit and City approved Tree Protection and Mitigation Plan, trenching for the installation of underground irrigation lines within the TPZ is prohibited.

D-1.2.2 Plant material shall be planted no closer than 6' of native oaks with a DSH of up to 18" and no closer than 10' of native oaks with a DSH of 18" and greater.

D-1.2.3 All plant material within the TPZ shall have a WUCOLS rating of either low or very low.

D-1.2.4 Planting holes for the installation of shrubs and groundcover within the TPZ of protected trees shall be dug by hand. Cutting tree roots 1" and larger for the purposes of installing plant material within the TPZ shall be avoided.

D-1.2.5 Unless otherwise included within the scope of a City issued Tree Permit and City approved Tree Protection Plan, all irrigation methods within the TPZ shall be via above-ground means only.

D-1.2.6 Irrigation systems shall be designed to prevent direct water contact to any part of the trunk of the tree.

D-1.2.7 Installation of turf or lawn within the TPZ is expressly prohibited.

APPENDIX A: EXCERPTS FROM FOLSOM DESIGN STANDARDS 2020 – PARKING LOT SHADE

20.4 PARKING LOT SHADE

A. Tree Shading:

Trees shall be planted, monitored, and maintained throughout the surface parking lot to ensure that, within 15 years after establishment of the parking lot, at least 40 percent of the parking area will be shaded. This should be calculated by using the City's diameter of the tree crown at 15 years. Each planting area shall be of adequate size for the landscaping approved and shall have adequate irrigation for that landscaping.

Note: Planter dimensions exclude curbing. Planter shall contain earth and living ground cover. Bark mulch is not allowed in planter areas adjacent to public right-of-way, wood chip mulch is acceptable (hardwood chip mulch is preferred).

B. Parking Lot Shade (40% with 15 years)

All surfacing on which a vehicle can drive is subject to shade calculation.

- Parking stalls
- All drives within property line (regardless of length)
- All maneuvering (regardless of depth)

Exceptions

- Truck loading in front of overhead doors
- Truck maneuvering and parking areas unconnected to and exclusive of any vehicle parking
- Surfaced areas not to be used for vehicle parking, driving or maneuvering, provided they are made inaccessible to vehicles by a barrier such as bollards or fencing
- Automobile dealerships, display/sales/service/vehicle storage (required parking for automobile dealerships is still subject to shading)

If a site has two or more unconnected parking areas, shade is calculated separately for each area. If they are connected by a joining drive, they are calculated as one lot.

- 1) Shade is determined by using the appropriate percentage of the crown as indicated on the approved shade tree list (see Plate 20-A).
- 2) Trees must be planted at a distance one half of the required planter size behind curb. Refer to the Folsom Master Tree List and Folsom Tree Care and Maintenance Standards for information on minimum required planter size per species. Where a walk falls adjacent to a curb, any 35-foot diameter tree within 10 feet of the curb face receives 50% shade credit. It is necessary for the tree to be planted at a distance one half of the required planter size behind walk for this to apply.
- 3) Two feet of vehicle overhang into planter area is allowed, provided the planter is a minimum 6 feet wide. Vehicle overhang is not allowed into required setback areas.

- 4) Identify any existing tree species on-site for consideration in shade credit calculations. New trees planted for mitigation shall not count for shade or “street tree” requirements.
- 5) Overlapping shade does not count twice.
- 6) Parking lot lighting shall not conflict with required shade tree locations or growth. No new trees to be planted within 20’ of a light standard.
- 7) Provide shade calculations to the Community Development Department- Engineering Division for review and approval. The planting plan may be used as the shade plan, provided the trees are drawn to scale at the size indicated on the approved shade list. To calculate shade, indicate: surface area, shade area, shade provided, and mark each tree with the credit accorded it (F or 100 percent, TQ or 75 percent, H or 50 percent, Q or 25 percent, OT or 33.3 percent, TT or 66.6 percent). Each tree with different shade credit shall be listed separately. This method allows easy follow-up and coordination when a discrepancy is found in the plan check process. See Plate 15-A for examples of tree placement.
- 8) The shade trees shall be inspected by the Project Arborist to confirm compliance with the proposed shade target with a report to the City Arborist.

Shade Inspections and monitoring report shall be submitted to the City by December 1st with all corrections made within 90 days.

- 1) 1-year after acceptance
- 2) 5-year after acceptance to be 25% coverage
- 3) 10-year after acceptance to be 50% coverage
- 4) 15-year after acceptance to be 100% coverage.

C. General Requirements

All projects submitted for building permits must include site grading, landscape planting and irrigation with irrigation calculations. All plans that include parking must also include a shade plan. The planting plan may be used as the shade plan provided the trees are drawn to scale at the size indicated on the approved shade list and shade calculations are included. Plans will not be accepted into the building permit plan check process unless these items are present.

All landscape, irrigation and shade plans shall be approved by the Planning Department. This approval occurs as part of the development application review process.

D. Trees for Parking Lot Shading

Selection of the trees listed is based on adaptability to parking lot conditions. The following tree conditions and characteristics are informational to help select a good shade tree:

- 1) Minimum planter width (clear inside soil width)

- 2) Approximate tree height
- 3) Growth rate
- 4) Root growth and depth
- 5) Suggested soil type
- 6) Soil Moisture Needs (per "Water Use Classification of Landscape Species (WUCOLS)")

VL = Very Low

L = Low

M = Moderate

H = High

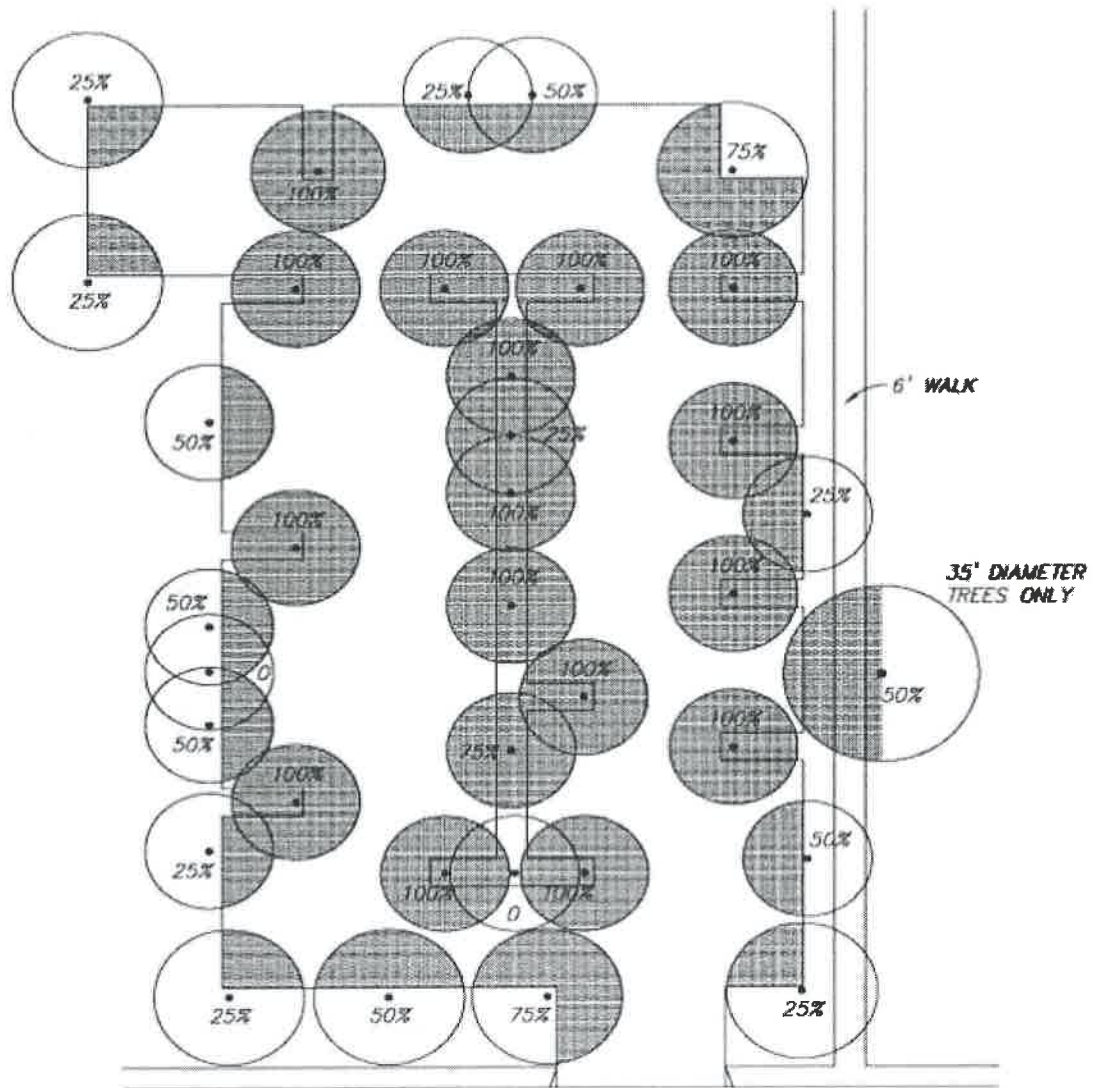
- 7) Remarks - deciduous or evergreen, miscellaneous information

The species listed are not foolproof for all situations. Consultation with a nurseryman or landscape architect is desirable before any selections are made. Professional guidance is recommended to assure that optimal design is achieved to meet the needs of each development. Proper planting procedures, optimal spacing distance, soil, water requirements and maintenance programs should be ascertained at the start of the landscape project. It is important to note that proper planting procedure may include digging past the hardpan layer to assure deep rooting and proper growth.

Refer to the "Folsom Master Tree List" and "Folsom Tree Care and Maintenance Standards" for canopy diameters and appropriate planter sizes of Parking lot Shading Trees.

20.11 PLATES

A. Plate 20-A Tree Shading Diagram

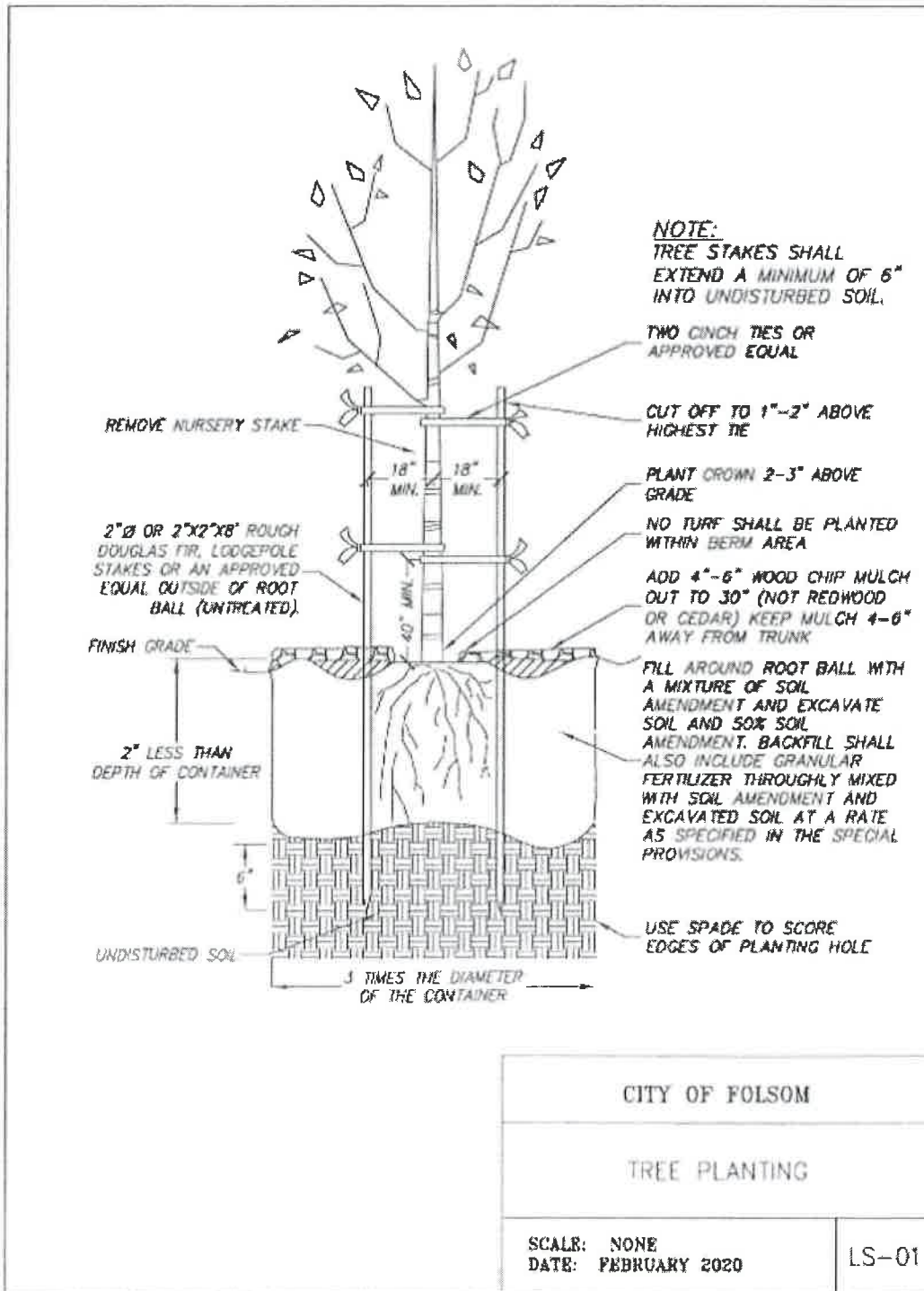


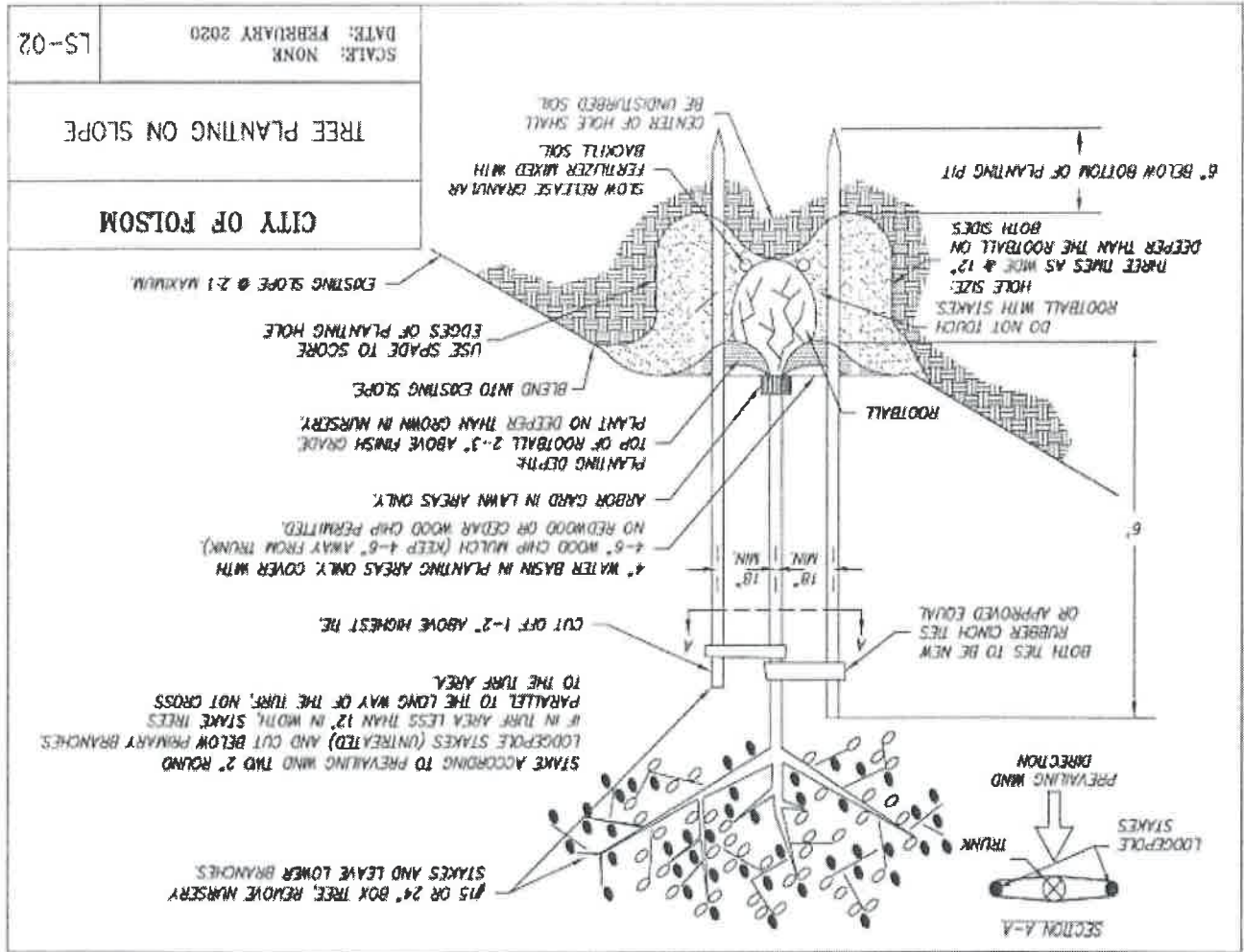
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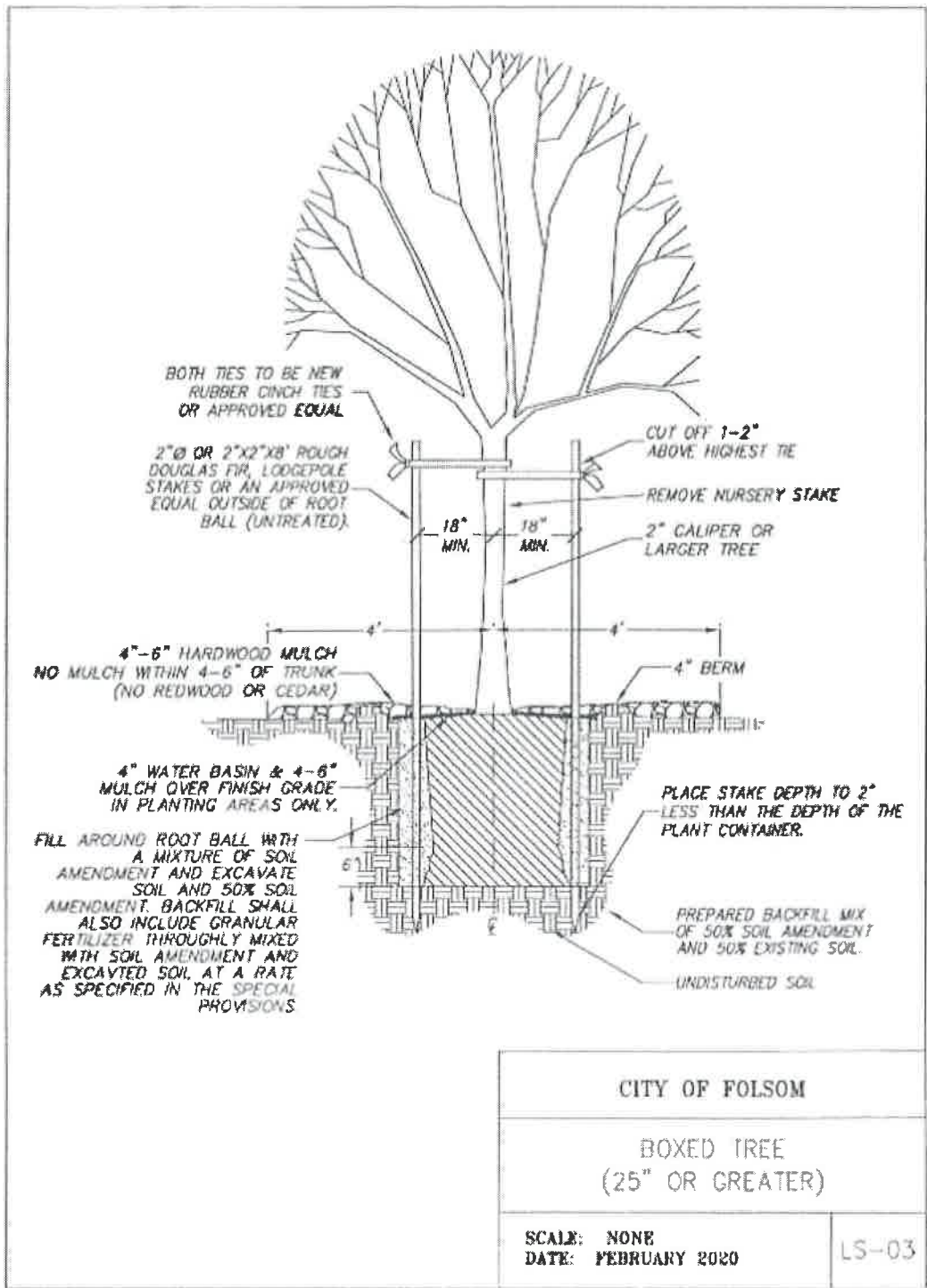
1. THIS DIAGRAM IS INTENDED TO REFLECT A MANNER IN WHICH SHADE IS CREDITED UNDER VARIOUS CONDITIONS. IT IS NOT AN ILLUSTRATION OF 40% COVERAGE.
2. TREES MAY RECEIVE 25% 33% 50% 66% 75% OR 100% SHADE CREDIT AS SHOWN.
3. SHADE OVERLAP IS NOT COUNTED TWICE.
4. SHADE TREES MAY NOT COUNT AS MITIGATION OR AS "STREET TREES".

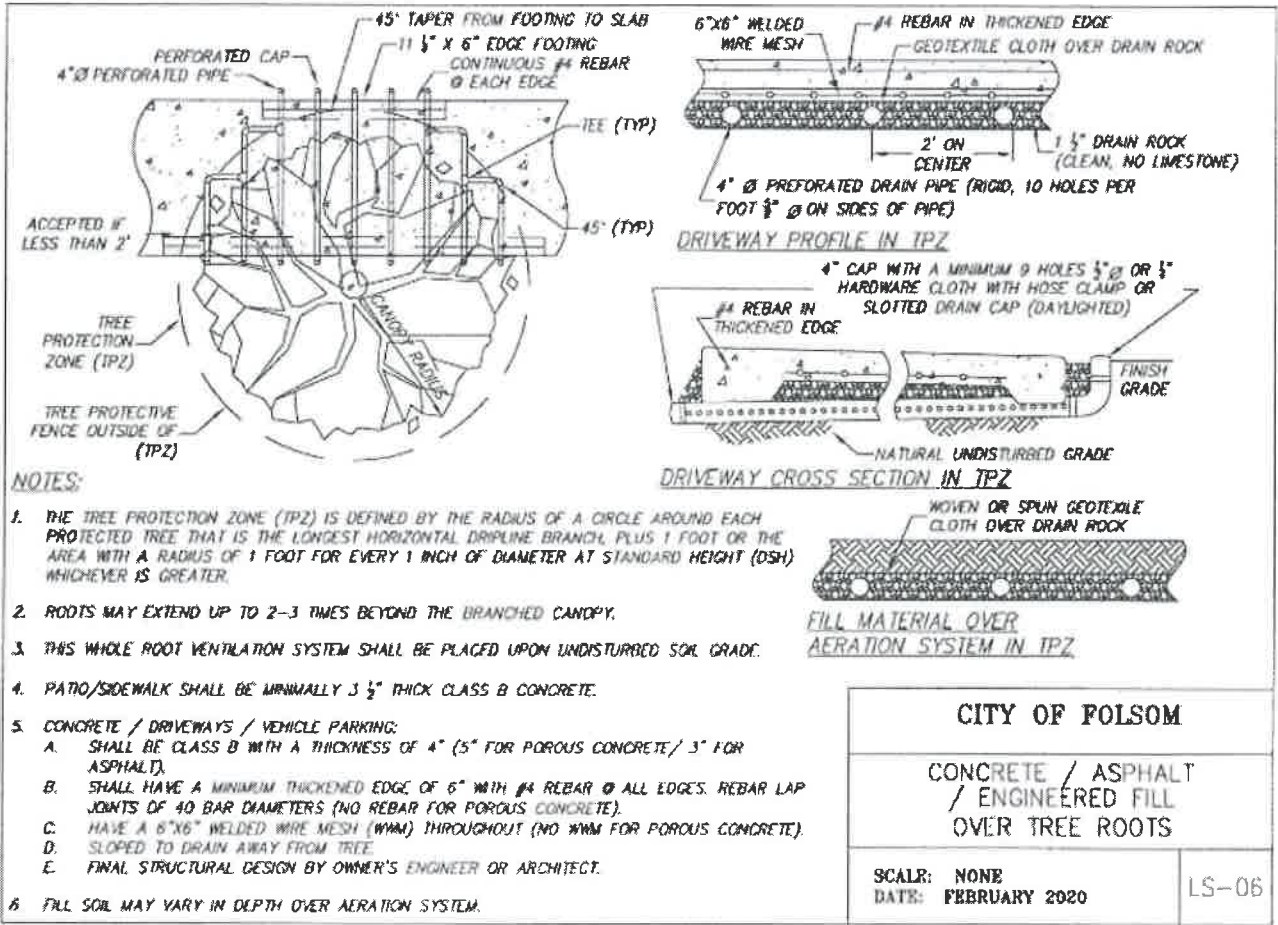
**TREE SHADING DIAGRAM
PLATE 20-A**

APPENDIX B: APPLICABLE CITY OF FOLSOM STANDARD LANDSCAPE DETAILS

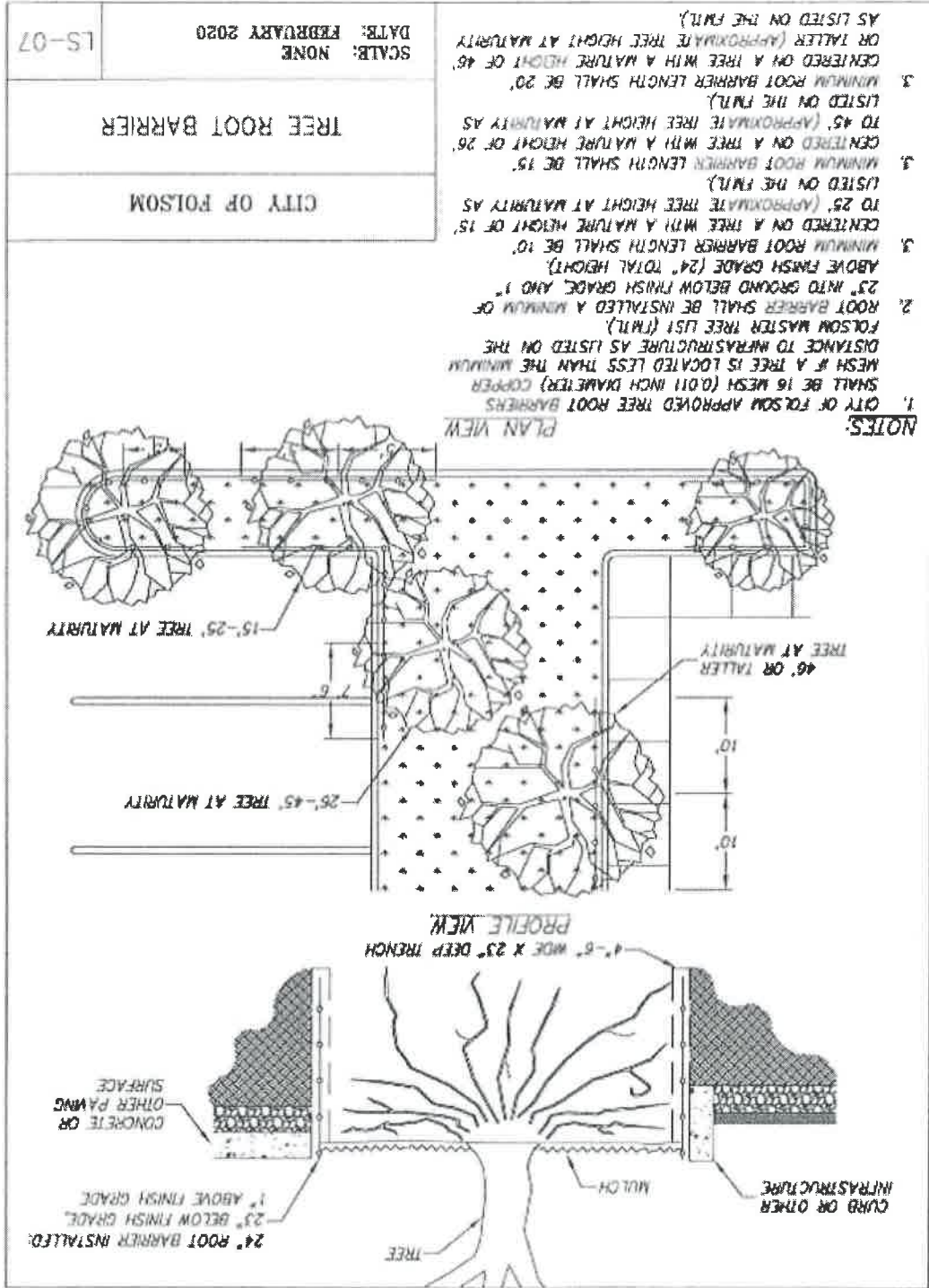


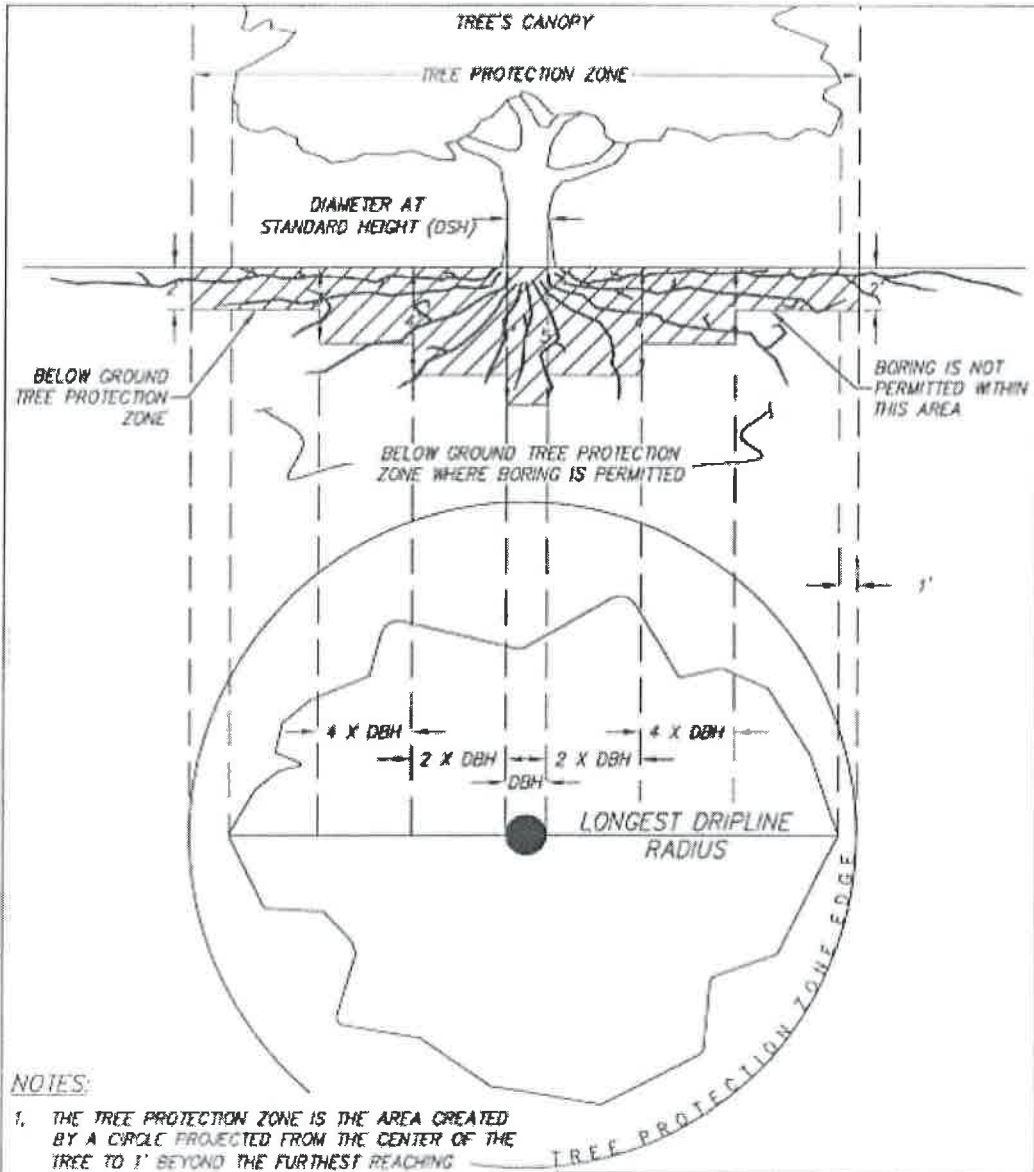






CITY OF POLSOM	
CONCRETE / ASPHALT / ENGINEERED FILL OVER TREE ROOTS	
SCALR: NONE DATE: FEBRUARY 2020	LS-06





NOTES:

1. THE TREE PROTECTION ZONE IS THE AREA CREATED BY A CIRCLE PROJECTED FROM THE CENTER OF THE TREE TO 1' BEYOND THE FURTHEST REACHING BRANCH OR AN AREA WITH A RADIUS OF 1' FOR EVERY INCH OF DIAMETER AT STANDARD HEIGHT (DSH), WHICHEVER IS GREATER.
2. THE DRIPLINE IS THE PERIMETER OF THE AREA COVERED BY THE TREE'S CANOPY.
3. TRENCHING SHALL BE DONE MANUALLY WHEN DIRECTIONAL BORING UNDERNEATH THE BELOW GROUND TREE PROTECTION ZONE CANNOT BE ACHIEVED.
4. ALL DIRECTIONAL BORING OR MANUAL TRENCHING WITHIN THE TREE PROTECTION ZONE SHALL BE DONE UNDER THE SUPERVISION OF A CERTIFIED ARBORIST.

CITY OF FOLSOM	
BORING WITHIN TREE PROTECTION ZONE	
SCALE: NONE DATE: FEBRUARY 2020	LS-08

APPENDIX C: RESOURCES AND REFERENCES

ANSI A300. *American National Standard for Tree Care Operations – Tree, Shrub and Other Woody Plant Management*. Londonderry, NH: Tree Care Industry Association, Inc.

Best Management Practices. *Companion Publication to the ANSI A300: Tree, Shrub, and Other Woody Plant Maintenance*. Champaign, IL: The International Society of Arboriculture.

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Olsen, Jeff L. *Training and Pruning Your Home Orchard*. Oregon State University Extension. Aug. 2019: <https://catalog.extension.oregonstate.edu/pnw400/html>.

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ATTACHMENT 3
FOLSOM MASTER TREE LIST

FOLSOM MASTER TREE LIST

(Updated May 1, 2020)

06/09/2020; Item No. 13.

PURPOSE

The City of Folsom Master Tree List establishes the approved tree species that shall be planted to fulfill Street Tree and Parking Lot Shading Tree requirements for new developments and tree replacement projects. Existing trees not included in this list shall still qualify as Protected Trees if their location satisfies Street Tree and/or Parking Lot Shading Tree requirements as outlined in the Tree Preservation Ordinance and Zoning Code.

This is not an exhaustive list and the information herein is subject to change from time to time as knowledge is gained on existing species and new varieties are cultivated. Some species that may perform well have been purposefully omitted due to growth habits or other specific cultural requirements; however, use of excluded varieties may be approved by the City Arborist on a case by case basis.

The species listed herein perform well under varying growing conditions and are suitable as shade trees under most, but not all circumstances. Species and cultivar preferences will vary based on soil, sun exposure, available planting space and micro-climate. Tree crown height and spread as listed are approximate and vary based on climate, growing conditions and cultivars or varieties.

As examples, 'October Glory' red maple will grow to 40 feet tall and 30 feet wide. In contrast, 'Bowhall' red maple will grow to the same height, but only 15 feet wide. Neither will tolerate drought conditions. 'Hopi' crape myrtle will grow to 10 feet tall with a low and rounded shape, 'Watermelon Red' to over 20 feet with an upright form. Both of these will tolerate drier soil conditions. Japanese black pine may attain a height of 60 to 80 feet in the San Francisco Bay Area but will seldom exceed 30 to 40 feet in the Sacramento Valley.

Unless otherwise approved by the City Arborist, selection of new Street Tree and Parking Lot Shading Tree species shall be in accordance with the species listed below. Choose trees carefully and with purpose. Prune to train trees for strong structure early, when trees are young and growing rapidly. These efforts will result in long-lived, healthy and structurally sound trees. The primary reasons for almost all tree removals are due to improper species selection, lack of space above and below ground and poor early care.

Common Name	Botanical Name	Mature Height	Mature Canopy Spread	Canopy Shape	Deciduous or Evergreen	Street Tree?	Parking Lot Tree?	Utility Tree?	WUCOLS Rating	Flowers	Fall Color	Root Damage Potential	Minimum Planter Width	Minimum Distance from Hardscape without root barrier	Remarks
Trident Maple	<i>Acer buergerianum</i>	20-25	20-25	Full-crowned	D	✓	✓	✓	M	N/A	Orange, gold	Low	7'	5'	Attractive bark, small stature
Hedge Maple	<i>Acer campestre</i>	15-25	15-25	Spreading	D	✓		✓	M	N/A	Yellow	Low	6'	5'	Dense and compact
Japanese Maple (select cultivars)	<i>Acer palmatum</i>	15-25	15-25	Spreading	D	✓		✓	M	N/A	Red, orange, yellow	Low	6'	5'	Best in afternoon shade, but a few varieties can handle full sun. Approval by the City Arborist is required prior to use as a Street Tree.
Red Maple (many cultivars)	<i>Acer rubrum</i>	40-50	25-35	Full-crowned	D	✓	✓		M	N/A	Orange-red	Low	8'	6'	Form varies with cultivar, provide good drainage. 'Bowhall' has a columnar form with a 15' canopy spread.
Amur Maple	<i>Acer tataricum ginnala</i>	20-25	20-25	Spreading	D	✓	✓	✓	M	N/A	Red	Low	7'	5'	Winter seeds hold for birds
Shantung Maple	<i>Acer truncatum</i>	20-30	20-30	Vase	D	✓	✓	✓	M	N/A	Orange red	Low	7'	5'	Good lawn tree, dense crown, similar to Japanese maple but more sun tolerant
California Buckeye	<i>Aesculus californica</i>	10-25	20-30	Spreading	D	✓		✓	VL	White	Yellow	Low	7'	5'	Striking in age, summer deciduous, native to our region
Red Horsechestnut	<i>Aesculus x carnea</i> (including 'Briotii' and 'O'Neill Red')	35-50	35-50	Spreading	D	✓	✓		M	Bright red	Yellow	Low	7'	6'	Striking in bloom
Beefwood	<i>Allocauarina stricta</i> (verticillata)	25-35	25-35	Pyramidal	E	✓	✓		L	N/A	N/A	Moderate	7'	6'	Good screening, drought tolerant

FOLSOM MASTER TREE LIST

(Updated May 1, 2020)

06/09/2020; Item No. 13.

Common Name	Botanical Name	Mature Height	Mature Canopy Spread	Canopy Shape	Deciduous or Evergreen	Street Tree?	Parking Lot Tree?	Utility Tree?	WUCOLS Rating	Flowers	Fall Color	Root Damage Potential	Minimum Planter Width	Minimum Distance from Hardscape without root barrier	Remarks
Strawberry Tree 'Marina'	<i>Arbutus 'Marina'</i>	40-50	30-40	Spreading	E	✓	✓		L	Pink	N/A	Low	7'	6'	Small strawberry-like fruit attractive flowers
Strawberry Tree	<i>Arbutus unedo</i>	20-35	20-35	Spreading	E	✓	✓	✓	L	Light pink	N/A	Low	7'	5'	Smaller than 'Marina' interesting trunk structure, fruit attractive but can be messy
River Birch 'Duraheat'	<i>Betula nigra 'BNMTF'</i>	30-40	25-35	Pyramidal	D	✓			H	N/A	Yellow	Moderate	8'	6'	Best birch for hot areas, others are marginal
Incense Cedar	<i>Calocedrus decurrens</i>	60-80	20-25	Pyramidal	E	✓			M	N/A	N/A	Moderate	10'	10'	Best in full sun, good drainage, fragrant foliage and wood, attracts birds, native to California
European Hornbeam	<i>Carpinus betulus</i>	35-40	20-30	Pyramidal	D	✓	✓		M	N/A	Yellow	Low	7'	6'	Symmetrical crown, protect young bark from sunscald
River She-Oak	<i>Casuarina cunninghamiana</i>	50-70	20-30	Pyramidal	E	✓	✓		L	N/A	N/A	Low	8'	8'	Good screening tree, allow plenty of space
Atlas (Blue) Cedar	<i>Cedrus atlantica ('Glauca')</i>	60-90	30-40	Pyramidal	E	✓	✓		M	N/A	N/A	Moderate	10'	10'	Striking silhouette against the skyline, blue-gray foliage, large accent tree
Deodar Cedar	<i>Cedrus deodara</i>	60-80	30-40	Pyramidal	E	✓	✓		L	N/A	N/A	Moderate	10'	10'	Rapid growth when young, large tree for large spaces, fragrant foliage and wood
Common Hackberry	<i>Celtis occidentalis</i>	45-80	40-50	Full-crowned	D	✓	✓		L	N/A	Yellow	Moderate	10'	8'	Rugged shade tree, late leaf out in spring
Western Hackberry	<i>Celtis laevigata (var. reticulata)</i>	25-35	25-30	Full-crowned	D	✓	✓		L	N/A	Yellow	Low	7'	6'	Rugged shade tree, native to California
Carob	<i>Ceratonia siliqua</i>	25-35	25-30	Spreading	E	✓	✓	✓	L	Small red	N/A	High	7'	8'	May surface root, allow plenty of room, litter from fruit pods on female trees used as a chocolate substitute
Eastern Redbud	<i>Cercis canadensis</i>	25-35	25-35	Spreading	D	✓	✓	✓	M	rosy-pink	Yellow, russet	Low	7'	6'	Early bloomer, tree-like form, 'Forest Pansy' has purple foliage, attractive, good lawn tree
Western Redbud	<i>Cercis occidentalis</i>	10-20	10-20	Layered	D	✓		✓	VL	pink	Yellow, russet	Low	6'	5'	Generally more shrub-like, may be trained in to a small tree, very early bloom, native to our region
Desert Willow 'Bubba'	<i>Chilopsis linearis 'Bubba'</i>	15-20	10-15	Layered	D	✓		✓	VL	vary	Yellow	Low	6'	5'	Fragrant flowers, 'Bubba' is slightly smaller than the species, good under utility wires, drought resistant, bird friendly
Chinese Fringe Tree	<i>Chionanthus retusus</i>	10-20	10-12	Vase	D	✓	✓	✓	M	white-fringe clusters	yellow	Low	6'	5'	Small flowering tree, small fruit, bird friendly

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Common Name	Botanical Name	Mature Height	Mature Canopy Spread	Canopy Shape	Deciduous or Evergreen	Street Tree?	Parking Lot Tree?	Utility Tree?	WUCOLS Rating	Flowers	Fall Color	Root Damage Potential	Minimum Planter Width	Minimum Distance from Hardscape without root barrier	Remarks
Chitalpa 'Morning Cloud' or 'Pink Dawn'	<i>Chitalpa tashkentensis</i> 'Morning Cloud' or 'Pink Dawn'	25-30	30	Vase	D	✓	✓	✓	*M	Pink	Yellow	Low	7'	5'	Drought tolerant, fast, showy flowers
Camphor Tree	<i>Cinnamomum camphora</i>	50-65	50-60	Full-crowned	E	✓	✓		M	N/A	N/A	High	8'	10'	Fragrant foliage and wood, subject to Verticillium wilt, plant sparingly, allow plenty of space
Dogwood 'Eddie's White Wonder'	<i>Cornus nutalli</i> x 'florida Eddie's White Wonder'	20-40	15-45	Spreading	D	✓		✓	M	White, pink, rose	Red	Low	7'	6'	Usually small, good drainage, best in partial shade and moist soil, hybrid between Eastern and Western dogwoods
Smoke Tree	<i>Cotinus coggyria</i>	10-15	15-18	Spreading	D	✓		✓	L	Fuzzy pink pendulous clusters	Orange, yellow	Low	6'	5'	Typically multi-stem
Smooth Arizona Cypress	<i>Cupressus (Hesperocyparis) arizonica</i> var. <i>glabra</i>	40-50	20	Pyramidal	E	✓	✓		VL	N/A	N/A	Low	7'	6'	Seedlings vary, rugged, tough tree, good screen, 'Chaparral' grows to only 15 ft.
Bronze Loquat	<i>Eriobotrya deflexa</i>	15-20	15-20	Vase	E	✓	✓	✓	M	Creamy white	N/A	Low	6'	5'	Good small evergreen tree, some litter from summer fruit
Peppermint Gum	<i>Eucalyptus nicholii</i>	40-50	15-40	Weeping	E	✓	✓	✓	L	White	N/A	Moderate	8'	8'	Flowers not showy, fragrant foliage
Silver Dollar Gum	<i>Eucalyptus polyanthemos</i>	30-75	15-45	Spreading	E	✓	✓		L	White	N/A	Moderate	8'	10'	Flowers not showy, fragrant foliage, good screen
Red Ironbark	<i>Eucalyptus sideroxylon</i>	30-90	30-60	Vase	E	✓	✓		L	Fuzzy pink pendulous clusters	N/A	High	8'	10'	Usually on the smaller side in our area, red to black furrowed bark
Hardy Rubber Tree	<i>Eucommia ulmoides</i>	40-60	30-40	Spreading	D	✓	✓		M*	N/A	brown	Moderate	8'	8'	Good street tree
Autumn Ash (cultivars)	<i>Fraxinus americana</i> ('Autumn Purple', Autumn Applause')	80	50	Spreading	D	✓	✓		M	N/A	purple-bronze	High	10'	10'	Fast growing, excellent fall color, watch for borers, 'Autumn Purple' is a favorite
Australian Willow	<i>Geijera parvifolia</i>	25-30	20	Weeping	E	✓	✓		M	White	N/A	Low	6'	5'	Non-invasive roots, can be litter-prone, fire-resistant
Ginkgo (Male, grafted)	<i>Ginkgo biloba</i> 'Autumn Gold', 'Princeton Sentry', 'Saratoga')	25-50	25-35	Spreading	D	✓	✓		M	N/A	golden	Moderate	7'	8'	Plant only "male" trees to avoid noxious fruit, 'Princeton Sentry' maintains central leader best, more narrow form, beautiful lawn or street tree
Kentucky Coffee Tree	<i>Gymnocladus dioica</i>	60-100	45-50	Full-crowned	D	✓	✓		M	N/A	yellow	Moderate	10'	10'	Adaptable to poor soils, litter from dry seed pods
Carolina Silver Bell/Snow Drop Tree	<i>Halesia carolina</i>	30-40	15-30	Spreading	D	✓	✓	✓	M*	White	yellow	Low	7'	6'	Usually on the small side, flowers attractive from below crown

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Wilson Holly	<i>Ilex x altacrerensis</i> 'Wilsonii'	15-20	15-25	Full-crowned	E	✓	✓	✓	M	White	N/A	Low	6'	5'	Usually a large shrub, easily trained to a small tree, bright red berries, flowers inconspicuous
Chinese Flame Tree	<i>Koelreuteria bipinnata</i>	20-40	15-30	Full-crowned	D	✓	✓	✓	M	Yellow	yellow	Low	7'	6'	Sometimes called Chinese Lantern, showy summer bloom, pink paper-lantern like fruit capsules in fall
Goldenrain Tree	<i>Koelreuteria paniculata</i>	20-35	25-40	Spreading	D	✓	✓		M	Yellow	Yellow	Low	7'	6'	Similar to the Chinese Flame but seed capsules are tan to brown
Crape Myrtle (and Japanese crape myrtle)	<i>Lagerstroemia sp.</i> (select cultivars and hybrids)	20	10	Vase	D	✓	✓	✓	L	Varies with species	Golden yellow to red	Low	6'	5'	Profuse bloom May to November. Use tree forms only. Approval by the City Arborist is required prior to use as a Street Tree or Parking Lot Shading Tree.
Bay Laurel	<i>Laurus nobilis</i>	20-40	15-30	Spreading	E	✓	✓		L	White	N/A	Moderate	6'	6'	Inconspicuous flowers, aromatic foliage used for cooking, sometimes shrubby, fast growing, allow space
Tulip Poplar	<i>Liriodendron tulipifera</i>	60-80	40	Pyramidal	D	✓	✓		M	Light yellow and	Yellow and gold	Moderate	10'	10'	Very large tree, allow plenty of space, aphid may cause dripping
Southern Magnolia	<i>Magnolia grandiflora</i> (and select cultivars, 'Little Gem', St. Mary')	60-80	50-60	Full-crowned	E	✓	✓		M	White	N/A	High	10'	12'	Can be root invasive, allow space, litter-prone but beautiful summer blossoms
Dwarf Southern Magnolia	<i>Magnolia grandiflora</i> 'Little Gem' and St. Mary'	15-25	10-20	Full-crowned	E	✓		✓	M	White	N/A	Moderate	6'	6'	Same beautiful summer blossoms in a smaller framed tree
Saucer Magnolia	<i>Magnolia x soulangeana</i> (and cultivars)	20-25	15-20	Vase	D	✓	✓	✓	M	Pink-white-purple	Yellow to russet	Low	6'	5'	Many hybrids with a broad range of burgundy, pink and white blossoms, blooms before leaves emerge, usually multi-trunked
Osage Orange/Hedge Apple 'Whitefield'	<i>Maclura pomifera</i>	40-50	30-40	Spreading	D	✓	✓		*L	N/A	yellow	Moderate	7'	8'	Species is armored with spines, 'Whiteshield' is thornless male, fruitless
Flowering Crabapple	<i>Malus sp.</i>	12-25	18-30	Spreading	D	✓	✓	✓	M	White, pink, red, rose	Red to bronze	Low	6'	5'	Many cultivars with differing forms, subject to fireblight, select disease-resistant varieties, one of the best spring flowering trees if well cared for, ask for RightRoot™
Mayten	<i>Maytenus boaria</i>	30-50	20-30	Weeping	E	✓	✓		M	N/A	N/A	Moderate	7'	8'	Needs well drained soil to avoid surface rooting, full sun
Black Tea Tree	<i>Melaleuca lanceolata</i>	20-30	15-25	Layered	E	✓	✓	✓	L	Creamy white	N/A	Moderate	7'	6'	Interesting contorted trunk forms with age, fragrant foliage and wood, striking bloom
Dawn Redwood	<i>Metasequoia glyptostroboides</i>	70-90	12-20	Pyramidal	D	✓	✓		H	N/A	Yellow to russet	Moderate	8'	10'	A deciduous conifer, can be fast growing with adequate water, striking silhouette both in and out of leaf, allow plenty of space
Tupelo / Sour Gum	<i>Nyssa sylvatica</i>	30-50	20-30	Pyramidal	D	✓	✓		M	N/A	Scarlet	Low	7'	6'	Female trees may produce small fruit, tolerates a wide range of soil conditions, prune when young to thin closely spaced branches

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Olive	<i>Olea europaea</i> (various cultivars w/ & w/o fruit)	25-35	25-30	Layered	E	✓	✓	✓	VL	White	N/A	Moderate	7'	6'	Inconspicuous flowers, edible fruit can be messy, 'Mission' produces good quality fruit, 'Swan Hill' and 'Majestic Beauty' are mostly fruitless
Desert Ironwood	<i>Olneya tesota</i>	15-30	15-30	Irregular	E	✓	✓	✓	L*	Lavender, pink	N/A	Low	6'	5'	Tough tree native to the Sonoran desert, extremely heavy durable wood, good summer color, keep it on the dry side
Sweet Olive	<i>Osmanthus fragrans</i>	10-20	6-8	Vase	E	✓	✓	✓	M	White	N/A	Low	6'	5'	A large shrub easily trained to a small tree form, fragrant white blossoms spring and summer
American Hop-hornbeam	<i>Ostrya virginiana</i>	25-45	20-30	Spreading	D	✓	✓		H*	N/A	Yellow, russet	Low	7'	6'	Graceful, light shade, better in moist soils, winged seeds attractive
Sourwood	<i>Oxydendron arboreum</i>	40-60	25-40	Pyramidal	D	✓	✓		M	Creamy white	Orange to red	Moderate	8'	8'	Excellent fall color, not a common tree in the region
Desert Museum' Palo Verde'	<i>Parkinsonia</i> 'Desert Museum'	15-20	20-25	Layered	D	✓	✓	✓	VL	Bright yellow	Yellow	Low	6'	5'	Top choice for dry garden themes, 'Desert Museum' is thornless
Blue Palo Verde	<i>Parkinsonia floridum</i>	20-25	15-20	Spreading	D	✓		✓	VL	Bright yellow	Yellow	Low	6'	5'	Top choice for dry garden themes, small thorns offer protection for birds
Colorado (Blue) Spruce	<i>Picea pungens (glauca)</i>	30-60	10-20	Pyramidal	E	✓			M	N/A	N/A	Moderate	7'	8'	Green to bluish needle color, multiple cultivars offer varying depth of color, slow grower, specimen tree
Canary Island Pine	<i>Pinus canariensis</i>	30-60	20-30	Pyramidal	E	✓	✓		L	N/A	N/A	Moderate	8'	8'	Long needle, graceful pine, almost a weeping appearance, usually not over 40 feet in our area
Japanese Red Pine	<i>Pinus densiflora</i>	30-50	30-40	Pyramidal	E	✓	✓		M	N/A	N/A	Moderate	8'	8'	Tall and spreading, dense crown, red/orange bark
Afghan (Mondell or Calabrian) Pine	<i>Pinus eldarica</i>	30-80	15-25	Pyramidal	E	✓	✓		L	N/A	N/A	Moderate	8'	10'	Very similar to Aleppo pine, loose, thinner, spreading crown than most pines
Aleppo Pine	<i>Pinus halepensis</i>	30-60	20-40	Pyramidal	E	✓	✓		L	N/A	N/A	Moderate	8'	8'	Similar to Aleppo pine, loose, thinner, spreading crown than most pines, cones persistent
Austrian Black Pine	<i>Pinus nigra</i>	40-60	25-35	Pyramidal	E	✓	✓		M	N/A	N/A	Moderate	8'	8'	One of the better pines for urban settings, dark green erect growth
Italian Stone Pine	<i>Pinus pinea</i>	40-80	40-60	Full-crowned	E	✓			L	N/A	N/A	Moderate	10'	10'	Very large tree suitable for parks or large spaces, dense crown, often multi-trunked, source of pine nuts
Scotch Pine	<i>Pinus sylvestris</i>	30-70	20-35	Pyramidal	E	✓	✓		M	N/A	N/A	Moderate	8'	10'	Fast growing when young, short needles, dark green foliage, more round topped with age

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Japanese Black Pine	<i>Pinus thunbergii</i>	25-30	35-40	Layered	E	✓	✓		M	N/A	N/A	Moderate	7'	6'	Bright green needles, common selection in Asian themed gardens due to interesting branching pattern
Chinese Pistache 'Keith Davey' or 'x Red Push'	<i>Pistacia chinensis</i>	25-35	25-35	Spreading	D	✓	✓		L	N/A	Orange to red to	Low	7'	6'	Keith Davey' reliably male and seedless, 'Red Push' hybrid leafs out red in spring, turning to green, a popular selection with outstanding fall color
London Plane 'Columbia' and 'Exclamation'	<i>Platanus x hispanica</i> 'Columbia' and 'Exclamation'	40-60	40-60	Full-crowned	D	✓	✓		M	N/A	Yellow to gold	Moderate	8'	8'	Generally disease resistant, but surface roots are common, These are over-planted, use sparingly and allow plenty of space
American Sycamore	<i>Platanus occidentalis</i>	70-90	50-70	Full-crowned	D	✓	✓		*M	N/A	Yellow to gold	Moderate	12'	12'	Fast growing, may get anthracnose, powdery mildew, good for moist locations, good for large areas only
Fern Pine	<i>Podocarpus gracilior</i>	30-50	15-25	Oval	E	✓	✓		M	N/A	N/A	Low	7'	6'	Moderate growth rate. Works well as a screening tree due to its columnar growth habit
Phoenix (thornless) Mesquite	<i>Prosopis</i> hybrid 'Phoenix'	30	30-35	Narrow vase	D	✓	✓	✓	L	Yellow	Yellow	Moderate	7'	6'	Phoenix' is thornless, tough desert tree for dry landscapes, usually on the smaller side of the size range
Flowering Cherry (many cultivars)	<i>Prunus</i> sp.	20-25	20-25	Spreading	D	✓		✓	M	White, pink, rose	Yellow to gold	Low	6'	5'	Many cultivars with varying form including weeping, beautiful spring bloom, trunk and branches sunburn easily, maintain leafy crown
Purple Leaf Plum (fruitless)	<i>Prunus x blierinana</i> or <i>cerasifera</i> 'Krauter Vesuvius'	12-15	12-15	Spreading	D	✓	✓	✓	M	Light pink	Red to bronze	Low	6'	5'	Only mostly fruitless cultivars, 'x blieriana' suitable under utilities, select "high-head" trees
Flowering Pear 'Chastity'	<i>Pyrus</i> hybrid	35	25	Layered	D	✓	✓		M	White	Red to scarlet	Moderate	7'	6'	The only non-invasive cultivar, others highly invasive in wetlands, resistant to fireblight, very popular species but very over-utilized
Evergreen Pear	<i>Pyrus kawakamii</i>	15-30	15-30	Layered	E	✓	✓	✓	M	White	Yellow	Low	7'	5'	Early spring bloom, interesting form, partially deciduous, watch for fireblight and leaf spot
Coast Live Oak	<i>Quercus agrifolia</i>	30-60	30-60	Full-crowned	E	✓	✓		VL	N/A	N/A	Low	8'	6'	Native oak that does well in our area, wider than tall at maturity, deep green foliage contrasts with silvery bark, great for wildlife
Blue Oak	<i>Quercus douglasii</i>	50-65	40-50	Spreading	D	✓	✓		VL	N/A	Yellow to gold	Low	8'	6'	The most common native oak in our area, prefers dry conditions once established, picky about disturbance as established natural trees
Holly Oak	<i>Quercus ilex</i>	30-60	30-60	Spreading	E	✓	✓		L	N/A	N/A	Low	8'	6'	Popular choice for an evergreen oak, dense crown, silvery underside to the leaves, usually on the smaller side of the size range
Valley Oak	<i>Quercus lobata</i>	50-70	50-70	Spreading	D	✓	✓		L	N/A	Yellow to gold	Moderate	10'	8'	Classic native oak of California postcards and photos, large spreading crown, will tolerate some irrigation but not constant moisture, allow plenty of space
Burr Oak (JFS-KW3)	<i>Quercus macrocarpa</i> 'Urban Pinnacle'	40-60	40-50	Full-crowned	D	✓			M	N/A	Yellow to russet	Moderate	8'	8'	Fast grower, tolerates wide range of soils, huge 1-2 " acorns, 'Urban Pinnacle' taller than wide, much smaller acorns, a top performer for large spaces

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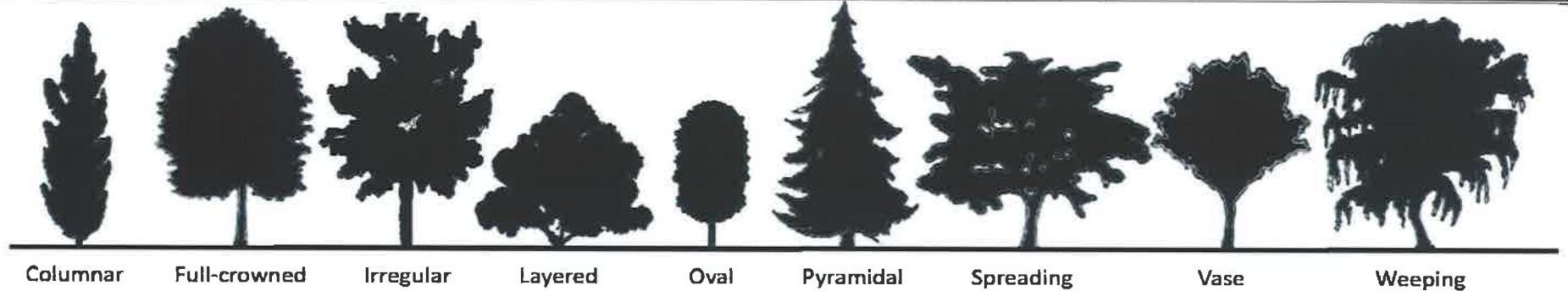
Common Name	Botanical Name	Mature Height	Mature Canopy Spread	Canopy Shape	Deciduous or Evergreen	Street Tree?	Parking Lot Tree?	Utility Tree?	WUCOLS Rating	Flowers	Fall Color	Root Damage Potential	Minimum Planter Width	Minimum Distance from Hardscape without root barrier	Remarks
Willow Oak	<i>Quercus phellos</i>	50-90	30-50	Full-crowned	D	✓	✓		M*	N/A	Yellow	Moderate	10'	10'	Fine-textured, almost weeping appearance, prefers deep well drained soil, allow space
English Oak (many cultivars)	<i>Quercus robur</i>	40-70	40-70	Full-crowned	D	✓	✓		M	N/A	Yellow to orange	Moderate	10'	10'	Similar to valley oak, but usually much smaller, not a native, many forms make this a top choice for urban settings
Red Oak	<i>Quercus rubra</i>	50-80	60-70	Full-crowned	D	✓	✓		M	N/A	Red	High	10'	10'	Retains dry fall leaves throughout winter, aphids are common, needs space for roots, best in well drained loamy soils
Shumard Oak	<i>Quercus shumardii</i>	40-60	30-40	Full-crowned	D	✓	✓		M	N/A	red	Moderate	8'	8'	Similar to red, scarlet and pin oaks, may retain fall leaves until spring, will tolerate wet areas
Cork Oak	<i>Quercus suber</i>	30-60	30-60	Full-crowned	E	✓	✓		L	N/A	N/A	Moderate	8'	8'	Picturesque form, thick, corky, deeply furrowed bark, Mediterranean origin, the original source of corks is the bark itself, good choice for our area, give it space to
Southern Live Oak	<i>Quercus virginiana</i>	40-80	60-100	Spreading	E	✓	✓		M	N/A	N/A	Moderate	12'	10'	On the smaller side of the size range in our area, evergreen or partly deciduous, tolerates urban sites, gnarled twisting trunks with age
Interior Live Oak	<i>Quercus wislizenii</i>	30-70	40-80	Spreading	E	✓			VL	N/A	N/A	Moderate	10'	8'	Commonly multi-trunked, a native of the region, dense crown, leaves smooth or prickly
California Pepper Tree	<i>Schinus molle</i>	25-40	25-40	Weeping	E	✓	✓		L	N/A	N/A	High	7'	8'	Can be litter-prone, berries may be toxic to those with nut allergies, roots are intrusive, allow plenty of space
African Sumac	<i>Searsia lancea</i>	20-30	20-35	Spreading	E	✓	✓	✓	L	N/A	N/A	Low	7'	5'	Small evergreen, good screening tree, a little litter-prone, but graceful form and compact size make it a popular choice
Japanese Pagoda Tree 'Regent'	<i>Sophora japonica</i> 'Regent' (<i>Styphnolobium japonicum</i>)	40-50	30-40	Spreading	D	✓	✓		L	Yellow or white	Yellow	Low	7'	6'	Produces some litter from seed pods, 'Regent' is a faster grower, more reliable in form than the parent, prefers good drainage
Texas Mountain Laurel (Mescal Bean)	<i>Sophora scundiflora</i>	15-20	10-15	Irregular	E	✓	✓	✓	L	Violet blue	N/A	Low	6'	5'	Good under utilities, dry themed landscapes, seeds are toxic, prefers drier locations
Japanese Snowbell	<i>Styrax japonicus</i>	20-30	15-20	Vase	D	✓	✓	✓	M	White	Yellow	Low	6'	5'	Prefers some afternoon shade, keep slightly moist, beautiful pendulous white bloom, fragrant, followed by small berries
Fragrant Snowbell	<i>Styrax obassia</i>	20-30	15-20	Vase	D	✓	✓	✓	M*	White with yellow	Yellow to gold	Low	6'	5'	Prefers some afternoon shade, keep slightly moist, beautiful pendulous white bloom with yellow centers, fragrant, followed by small berries
Japanese Tree Lilac 'Ivory Silk'	<i>Syringa reticulata</i> 'Ivory Silk'	20-25	20	Vase	D	✓	✓	✓	M	Creamy white	Yellow	Low	6'	5'	Prolific summer bloom, fragrant, compact form, good for urban sites with limited space
Western Red Cedar	<i>Thuja plicata</i>	50-70	15-25	Pyramidal	E	✓	✓		M	N/A	N/A	Moderate	8'	10'	Native conifer of the NW coast. Prefers slightly moist soil, fragrant foliage and wood. Dense crown, retain lower branches for best appearance.

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American Linden	<i>Tilia americana</i>	40-65	20-25	Full-crowned	D	✓	✓		M	Light Yellow	Yellow	Moderate	8'	8'	Prefers moist soil, a favorite of bees and birds, good lawn or shade tree. 'Redmond' cultivar is larger, not as good in hot inland areas
Little-Leaf Linden	<i>Tilia cordata</i>	30-50	15-30	Pyramidal	D	✓	✓		M	Light yellow	Yellow	Moderate	7'	8'	Prefers moist and well drained soils, smaller in leaf than American linden, 'Summer Sprite' is a smaller cultivar
American/Hybrid Elm (hybrids only)	<i>Ulmus sp.</i> (including 'Accolade', 'Frontier', 'Emerald Sunshine')	30-60	15-40	Vase	D	✓	✓		M	N/A	Yellow, red	Moderate	7'	8'	Dutch Elm Disease (DED) & Elm Leaf Beetle (ELB) resistant. Steeped in the history of the Sacramento Valley, allow plenty of space.
Chinese (Lacebark) Elm	<i>Ulmus parvifolia</i> (including the cultivar 'Allee')	50-70	50-70	Vase	D	✓	✓		M	N/A	Yellow to gold	High	8'	10'	Subject to DED & ELB but not commonly affected, large, spreading and graceful form, emphasize early training for best form in age
Chinese (Lacebark) Elm cultivars	<i>Ulmus parvifolia</i> 'Drake', 'Dynasty', 'Frontier', & 'True Green'	35-50	30-50	Vase	D	✓	✓		M	N/A	Yellow to gold	High	7'	8'	Subject to DED & ELB but not commonly affected, large, spreading and graceful form, emphasize early structural pruning for best form in age.
Prospector Elm	<i>Ulmus wilsoniana</i> 'Prospector'	40	30	Vase	D	✓	✓		M	N/A	Yellow to gold	Moderate	7'	6'	New leaves emerge orange in color. Good medium sized street tree. Resistant to DED and ELB.
Chaste Tree	<i>Vitex agnus-castus</i>	15-25	15-25	Spreading	D	✓	✓	✓	L	Lavender to blue	Yellow	Low	6'	5'	Multi or single trunk, very hardy, fragrant foliage, blooms summer to fall
Zelkova (and select cultivars)	<i>Zelkova serrata</i> (including 'Drake', 'Green Vase', and 'Village Green')	50-65	50-65	Vase	D	✓	✓		M	N/A	Yellow to gold to red	Moderate	8'	8'	Urban friendly, excellent fall color russet to gold to red, broad and spreading.
Zelkova 'Musashino'	<i>Zelkova serrata</i> 'Musashino'	40-45	10-15	Columnar	D	✓	✓		M	N/A	Yellow to gold to red	Moderate	6'	6'	Urban friendly and excellent fall color russet to gold to red. Canopy shape is narrow and columnar.
Dwarf Zelkova	<i>Zelkova serrata</i> 'City Sprite'	20-25	15-18	Vase	D	✓	✓	✓	M	N/A	Yellow to gold to red	Moderate	6'	5'	Urban friendly, excellent fall color russet to gold to red. Great accent tree for use under utility lines.



TREES NOT ELIGIBLE FOR HERITAGE STATUS

The following tree species are exempt from obtaining a status of “Heritage Tree”, as defined in Folsom Municipal Code 12.16.020 - Tree Preservation, due to rapid growth rates, root intrusion, invasiveness, or other objectionable characteristics. Although the Folsom Master Tree List is subject to change from time to time as knowledge is gained on appropriate species selection, the following list of species is fixed and shall not incur changes unless otherwise approved by City Council:

Common Name	Botanical Name	Characteristics
Poplars	<i>Populus sp</i>	Very high water needs. Weak limb attachments make these trees susceptible to limb failure. Aggressive, far-reaching surface roots are common.
Chinese Tree of Heaven	<i>Ailanthus altissima</i>	Extremely invasive.
Mimosa/Silk Tree	<i>Albizia julibrissin</i>	Invasive. Weak wood and limb attachments are common, making this species prone to limb failure.
Palms (all)	<i>Arecaceae</i>	Biologically, these plants are not trees and do not provide the same level of benefit as true trees.
Eucalyptus	<i>Eucalyptus sp.</i>	Prone to limb failure in age. Mature size may not be suitable for some urban settings. High flammability.
Modesto Ash	<i>Fraxinus arizonica</i> <i>'Modesto'</i>	Poor structure with weak limb attachments result in high likelihood of limb failure in age. Disease-prone.
Liquidambar	<i>Liquidambar styraciflua</i>	Weak branching strength. Aggressive, far-reaching surface roots are common.
Mulberry	<i>Morus sp</i>	Weak branching strength. Aggressive, far-reaching surface roots are common.
Foothill Pine	<i>Pinus sabiniana</i>	Weak branching strength. Large pine cones can be injurious to people and property.
Flowering Pear	<i>Pyrus calleryana</i>	Weak limb attachments are characteristic of this species, resulting in a high likelihood of limb failure. Invasive.
Willows	<i>Salix sp</i>	Very high water needs. Aggressive, far-reaching surface roots are common.
Coast Redwood	<i>Sequoia sempervirens</i>	Very high water needs. Aggressive, far-reaching surface roots are common.

REFERENCES

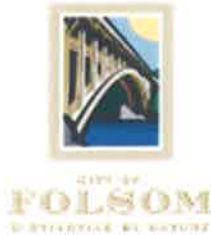
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California Invasive Plant Council. *Cal-IPC*. 22 May. 2020: <https://www.cal-ipc.org/>

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Folsom City Council Staff Report

MEETING DATE:	6/9/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Receive and File the City of Folsom, the Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the Folsom Ranch Financing Authority, and the South of 50 Parking Authority Monthly Investment Reports for the Month of March 2020
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

The Finance Department recommends that the City Council receive and file the City of Folsom, the Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the Folsom Ranch Financing Authority, and the South of 50 Parking Authority monthly Investment Reports for the month of March 2020.

BACKGROUND / ISSUE

Under the Charter of the City of Folsom and the authority granted by the City Council, the Finance Director is responsible for investing the unexpended cash of the City Treasury. The primary objectives of the City's investment policy are to maintain the safety of investment principal, provide liquidity to meet the short and long-term cash flow needs of the City, and earn a market-average yield on investments. The City's portfolio is managed in a manner responsive to the public trust and is consistent with state and local laws and the City's investment policy. The Finance Department hereby submits the investment reports for the City of Folsom, the Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the South of 50 Parking Authority, and the Folsom Ranch Financing Authority for the month of March 2020.

POLICY / RULE

1. Section 3.30.010(a) of the Folsom Municipal Code states “the term ‘city’ shall encompass the city of Folsom, the Folsom community *redevelopment agency*, and all other agencies and instrumentalities of the city under either the direct or indirect control of the city council, and this chapter regulates the investment of all moneys of those agencies.”
2. Section 3.30.030(f) of the Folsom Municipal Code states that “the city’s chief investment officer shall each month submit an investment report to the city council, which report shall include all required elements as prescribed by California Government code section 53646.”
3. California Government Code, Sections 53601 through 53659 sets forth the state law governing investments for municipal governments in California.
4. Section 3.30.020(g) of the Folsom Municipal Code states that “all city cash shall be consolidated into one general bank account as set out in this code and invested on a pooled concept basis. Interest earnings shall be allocated to all city funds and subfunds according to fund and subfund cash and investment balance on at least a quarterly basis.”

ANALYSIS

Overview

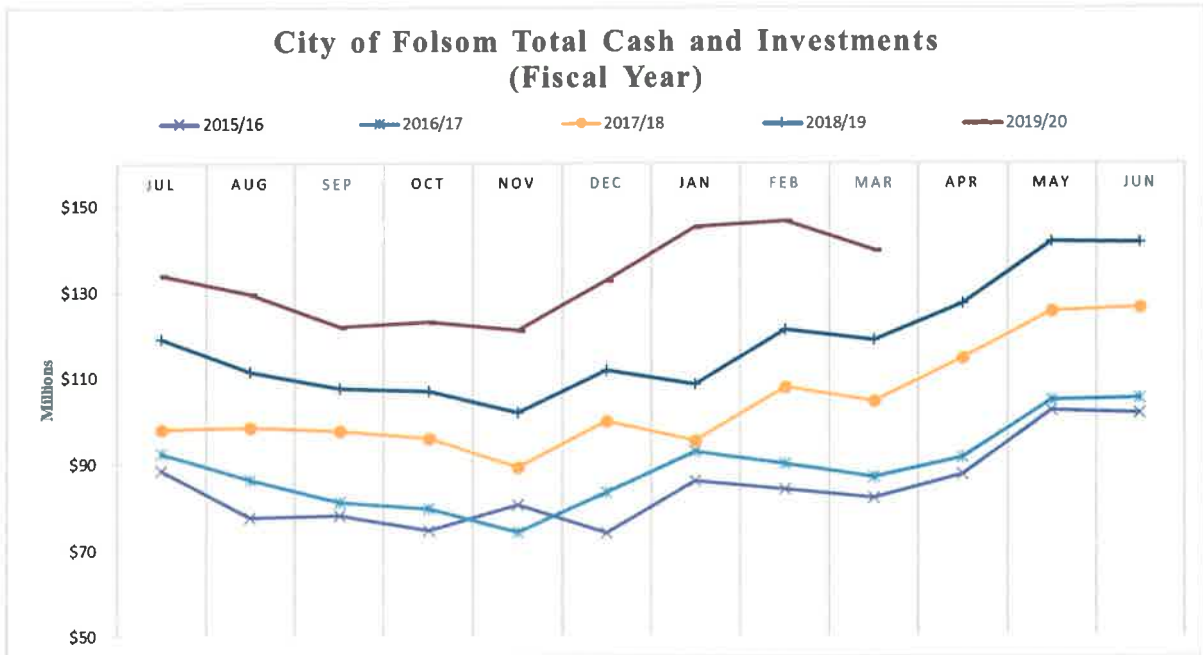
The City has diversified investments in accordance with the City Investment Policy and Government Code. The City of Folsom’s total cash and investments are invested on a pooled basis as required by the Folsom Municipal Code.

The Portfolio Summary of the City’s current report includes a “Pooled Equity Section” identifying the Redevelopment Successor Agency’s (RDSA) and Folsom Public Financing Authority’s (FPFA) portion of the investment pool. The RDSA and FPFA list these amounts under “Cash” in their respective sections. Currently, the Folsom Ranch Financing Authority (FRFA) has no funds invested in Pooled Equity.

City of Folsom

Total Cash and Investments

The following graph illustrates the City’s monthly cash and investment balances for fiscal years 2016 through 2020. Monthly fluctuations in cash and investments are the result of typical receipt of revenues less expenditures for operations, debt service, and capital improvements. As of March 31, 2020, the City’s cash and investments totaled \$139,814,364; an increase of \$21,052,672 (18%) from March 31, 2019.

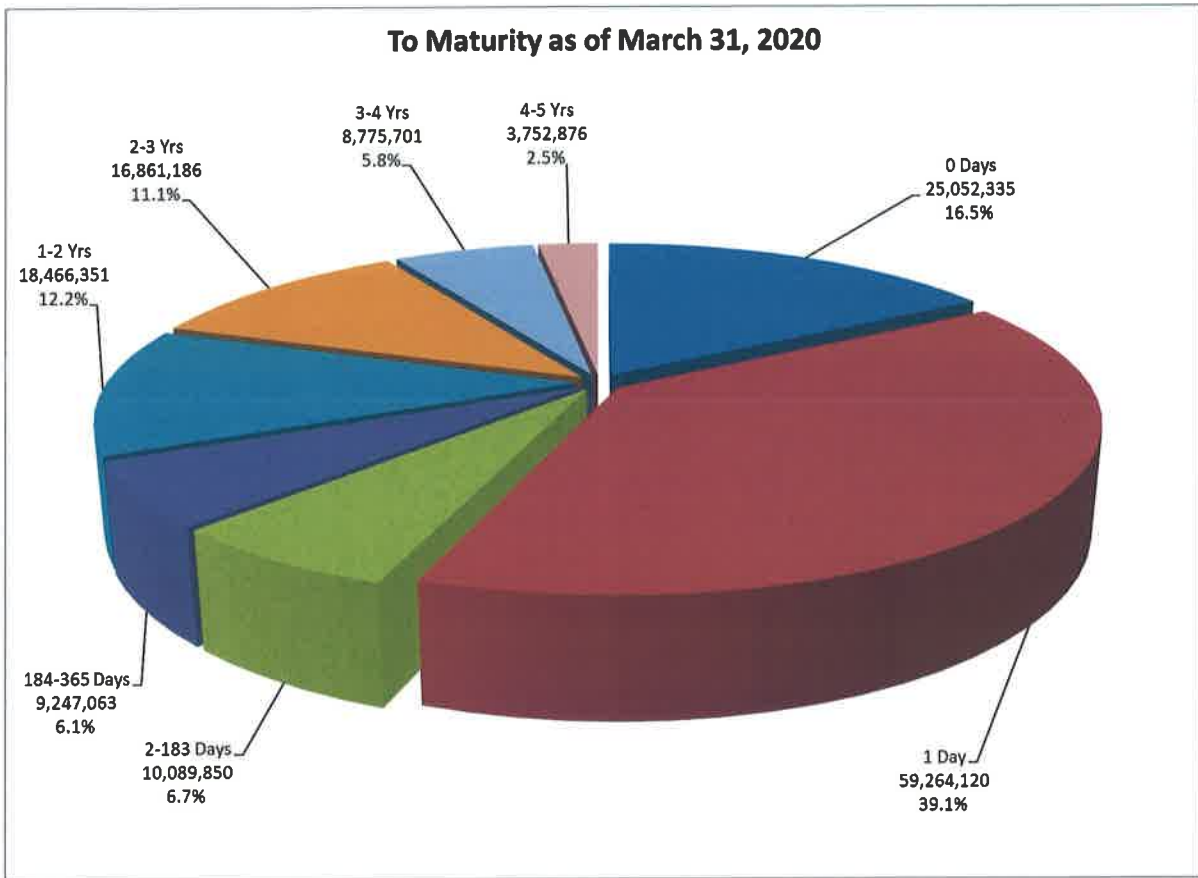


The following chart shows the City’s monthly cash and investment balances and percentage change for Fiscal Year 2019-20 along with the yearly dollar and percentage changes.

Total City Cash and Investments

	2019-20	Monthly Change	2018-19	Monthly Change	Yearly \$ Change	Yearly % Change
Jul	\$ 133,948,255		\$ 119,184,519		\$ 14,763,736	12%
Aug	\$ 129,657,395	-3%	\$ 111,476,371	-6%	\$ 18,181,024	16%
Sep	\$ 121,952,538	-6%	\$ 107,672,166	-3%	\$ 14,280,372	13%
Oct	\$ 122,996,173	1%	\$ 106,928,144	-1%	\$ 16,068,029	15%
Nov	\$ 121,112,560	-2%	\$ 101,854,232	-5%	\$ 19,258,329	19%
Dec	\$ 132,661,948	10%	\$ 111,671,000	10%	\$ 20,990,948	19%
Jan	\$ 145,156,622	9%	\$ 108,415,002	-3%	\$ 36,741,620	34%
Feb	\$ 146,494,239	1%	\$ 121,032,339	12%	\$ 25,461,900	21%
Mar	\$ 139,814,364	-5%	\$ 118,761,692	-2%	\$ 21,052,672	18%

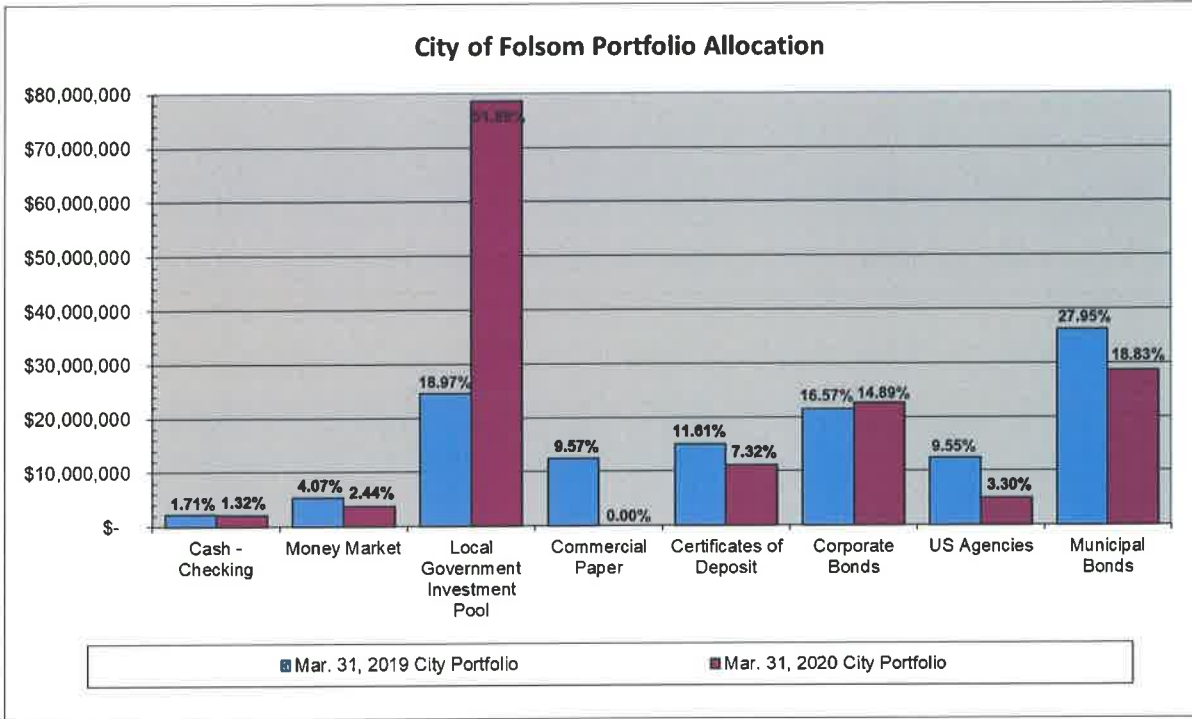
The City’s projected cash needs for the next six months are sufficiently provided for by anticipated revenues and the liquidity of its cash and investments. In addition, in accordance with Section 3.30.020(c) of the Municipal Code, less than 50% of the City’s total cash is invested for a period longer than one year.



Investment Performance

The City’s Portfolio Management Summary report for the month of March 2020 is presented in attachment 1 to this report. Portfolio investment earnings (including pooled equity earnings for the RDSA and FPFA) for the three-month quarter ending March 31, 2020 totaled \$815,695. The total rate of return of the investment portfolio for the same period was 2.22%.

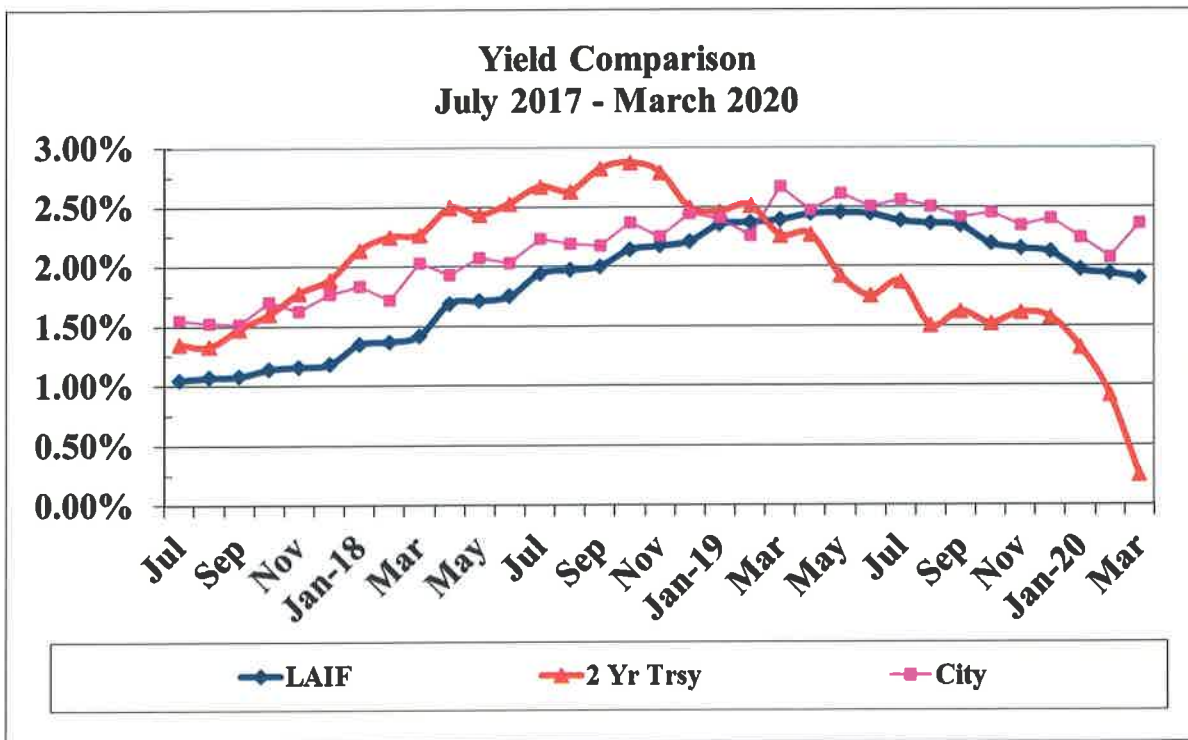
The following graph illustrates the total dollar amount and allocation percentages for March 31, 2019 and March 31, 2020. The percentages in this graph are based on book value.



A detailed listing of the portfolio holdings as of March 31, 2020 is included in Attachment 2 to this report.

The Local Government Investment Pool (LAIF) yield typically moves in the same direction as market yields, but is less volatile, lagging somewhat behind market moves. This can be seen in the chart on the next page, illustrating the historical monthly change in yield from July 2017 through December 2019 for LAIF and two-year US Treasury securities. The effective rate of return for the City Portfolio is also included.

The Federal Funds rate reached its post-2008 global economic downturn peak at 2.50% in December 2018. The Federal Open Market Committee (FOMC) began lowering the rate in July 2019, with three cuts resulting in the Federal Funds rate at 1.75% as of December 31, 2019. Due to the Covid-19 pandemic, the FOMC cut rates twice in March, by 50 basis points on March 3rd, and 1% on March 15th. The effect of these rate cuts is to push down borrowing costs to help consumers and businesses handle the financial challenges posed by the economic slowdown that has resulted from the pandemic.



A listing of transactions for the third quarter of fiscal year 2020 is included in Attachment 3 to this report.

Folsom Redevelopment Successor Agency

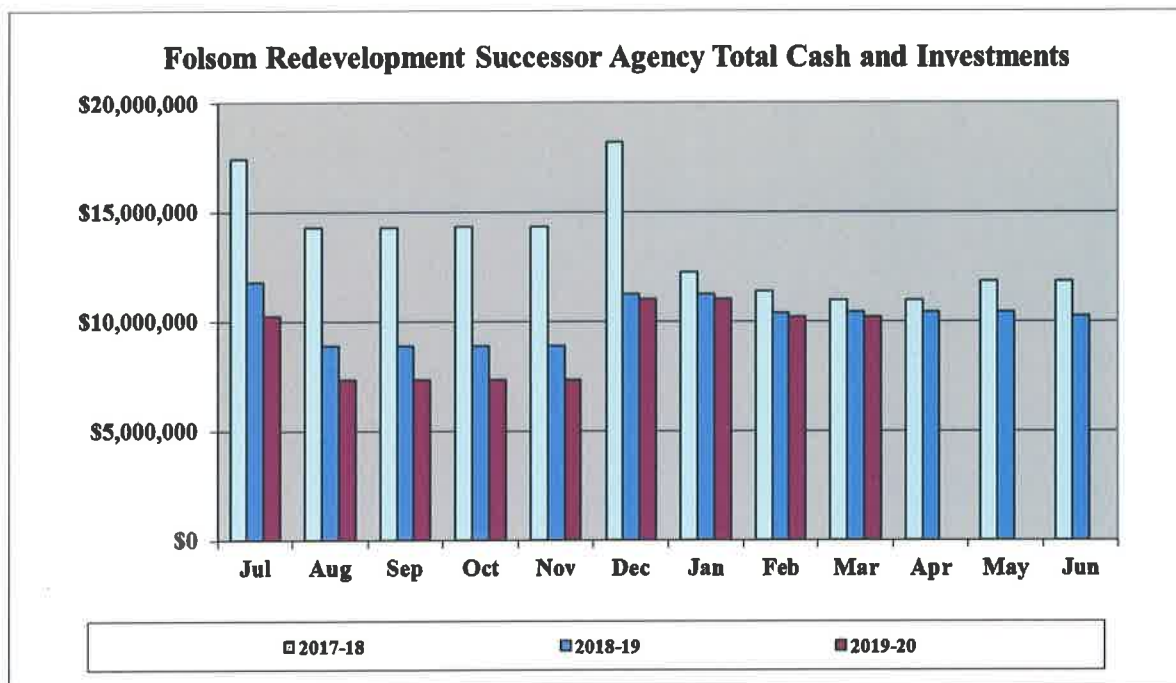
Total Cash and Investments

The RDSA had total cash and investments of \$10,190,508 as of March 31, 2020. This is a decrease of \$229,531 (2%) since March 31, 2019. The cash held by the RDSA is comprised of city-held funds, as well as 2011 bond proceeds to be utilized for housing and non-housing projects. These proceeds held by the Agency are broken out individually in the Portfolio Management Summary in Attachment 1.

The following table and graph illustrate the monthly balances and their respective percentage changes for the reporting period. Monthly fluctuations in cash and investments are the result of typical receipt of revenues less expenditures for operations, debt service, and capital improvements.

Folsom Redevelopment Successor Agency

	2019-20	Monthly Change	2018-19	Monthly Change	Yearly \$ Change	Yearly % Change
Jul	\$ 10,258,949		\$ 11,774,675		\$ (1,515,726)	-13%
Aug	\$ 7,325,874	-29%	\$ 8,867,880	-25%	\$ (1,542,006)	-17%
Sep	\$ 7,325,990	0%	\$ 8,868,071	0%	\$ (1,542,080)	-17%
Oct	\$ 7,326,077	0%	\$ 8,868,187	0%	\$ (1,542,110)	-17%
Nov	\$ 7,321,623	0%	\$ 8,868,303	0%	\$ (1,546,680)	-17%
Dec	\$ 11,003,048	50%	\$ 11,220,064	27%	\$ (217,017)	-2%
Jan	\$ 11,003,290	0%	\$ 11,220,181	0%	\$ (216,891)	-2%
Feb	\$ 10,190,327	-7%	\$ 10,367,842	-8%	\$ (177,514)	-2%
Mar	\$ 10,190,508	0%	\$ 10,420,039	1%	\$ (229,531)	-2%



The RDSA's projected cash needs for the next six months are sufficiently provided for by anticipated revenues and the liquidity of its cash and investments.

Investment Performance

The RDSA's Portfolio Management Summary report for the month of March 2020 is presented in Attachment 1. The RDSA's investment earnings for the three-month quarter ending December 31, 2019 totaled \$61,779. The effective rate of return for the RDSA investment portfolio for the same time period is 2.44%.

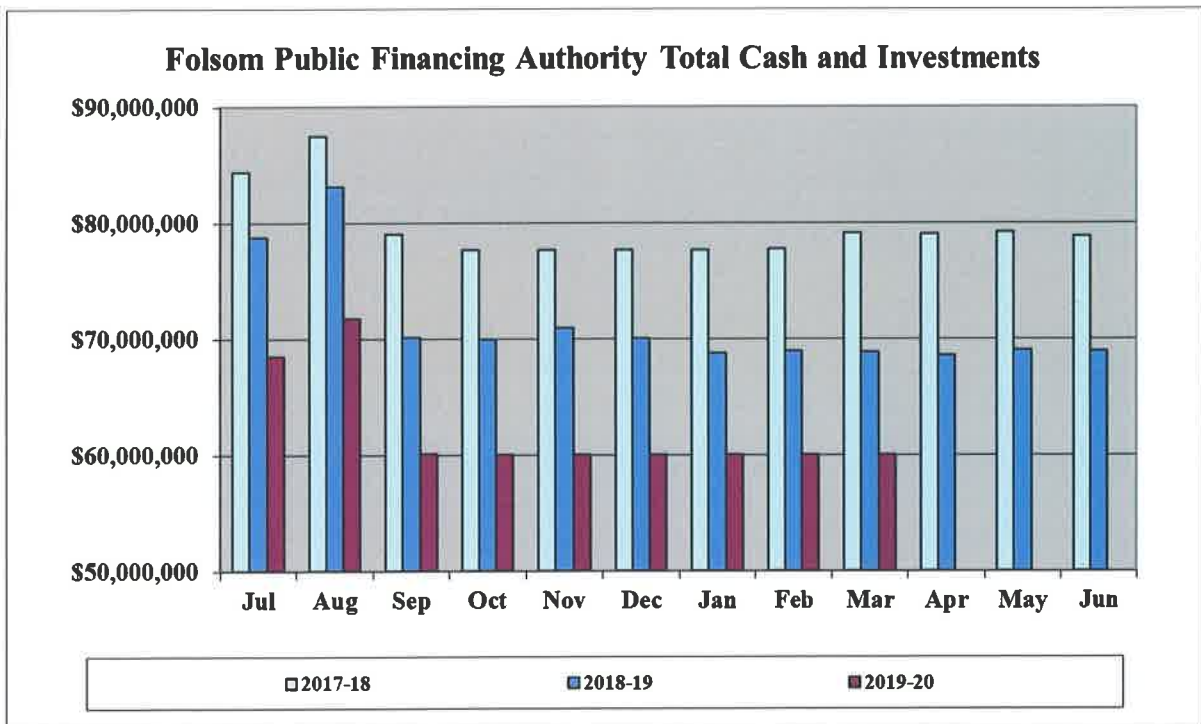
Folsom Public Financing Authority

Total Cash and Investments

The FPFA cash and investments totaled \$60,001,130 as of March 31, 2020. This is a decrease of \$8,792,474 (13%) from March 31, 2019. Monthly fluctuations in cash and investments are the result of typical receipt of debt service repayment revenues and the subsequent debt service expenditures. The following table and graph illustrate the monthly balances and their respective percentage changes for the reporting period.

Folsom Public Financing Authority

	2019-20	Monthly Change	2018-19	Monthly Change	Yearly \$ Change	Yearly % Change
Jul	\$ 68,442,988		\$ 78,713,643		\$ (10,270,655)	-13%
Aug	\$ 71,705,665	5%	\$ 83,158,965	6%	\$ (11,453,300)	-14%
Sep	\$ 60,112,114	-16%	\$ 70,072,260	-16%	\$ (9,960,146)	-14%
Oct	\$ 60,000,597	0%	\$ 69,965,468	0%	\$ (9,964,871)	-14%
Nov	\$ 60,001,190	0%	\$ 70,948,837	1%	\$ (10,947,647)	-15%
Dec	\$ 60,001,153	0%	\$ 69,973,145	-1%	\$ (9,971,991)	-14%
Jan	\$ 60,001,161	0%	\$ 68,764,791	-2%	\$ (8,763,630)	-13%
Feb	\$ 60,001,168	0%	\$ 68,884,597	0%	\$ (8,883,429)	-13%
Mar	\$ 60,001,130	0%	\$ 68,793,604	0%	\$ (8,792,474)	-13%



The FPFA’s projected cash needs for the next six months are sufficiently provided for by anticipated revenues and the liquidity of its cash and investments.

Investment Performance

The FPFA's Portfolio Management Summary report for the month of March 2020 is presented in attachment 1. The FPFA's investment earnings for the three-month quarter ending March 31, 2020 totaled \$503,232. The effective rate of return for the FPFA investment portfolio for the same time period is 3.40%.

Folsom Ranch Financing Authority

Total Cash and Investments

The FRFA cash and investments totaled \$71,540,000 as of March 31, 2020, an increase of \$23,465,000 from the prior year. This increase is due primarily to the issuance of \$14,040,000 Community Facilities District No. 19 Local Obligations on August 7, 2019 and the issuance of \$9,695,000 Community Facilities District No. 21 (White Rock Springs Ranch) Local Obligations on December 19, 2019. The only other activity within FRFA was the maturing of \$270,000 of CFD No. 17 and CFD No. 19 Bonds on September 1, 2019.

The Authority's projected cash needs for the next six months are sufficiently provided for by anticipated revenues and the liquidity of its cash and investments.

Investment Performance

The FRFA's Portfolio Management Summary report for the month of March 2020 is presented in attachment 1. The FRFA's investment earnings for the three-month quarter ending March 31, 2020 totaled \$869,052. The effective rate of return for the FRFA investment portfolio for the same time period is 4.95%.

South of 50 Parking Authority

Total Cash and Investments

The South of 50 Parking Authority cash and investments totaled \$0 as of March 31, 2020.

The Authority's projected cash needs for the next six months are sufficiently provided for by anticipated revenues and the liquidity of its cash and investments.

Investment Performance

There is no investment activity for the South of 50 Parking Authority.

ATTACHMENTS

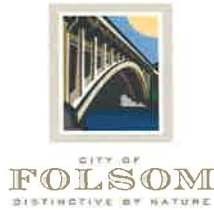
1. City of Folsom, Folsom Redevelopment Successor Agency, Folsom Public Financing Authority, and Folsom Ranch Financing Authority Portfolio Management Summary March 2020
2. City of Folsom Portfolio Holdings as of March 31, 2020
3. City of Folsom Transaction Summary, Third Quarter of Fiscal Year 2020

Submitted,



Stacey Tamagni, Finance Director
Agency Finance Officer
Folsom Public Financing Authority Treasurer
Folsom Ranch Financing Authority Treasurer
South of 50 Parking Authority Treasurer

ATTACHMENT 1
City of Folsom, Folsom Redevelopment Successor Agency, Folsom Public
Financing Authority, and Folsom Ranch Financing Authority Portfolio
Management Summary March 2020



**City of Folsom
 Combined City of Folsom, Redevelopment
 Successor Agency, PFPA & FRFA
 Portfolio Summaries
 March 31, 2020**

50 Natoma St.
 Folsom, CA 95630
 (916) 351-3345

City of Folsom	YTM @ Cost	Face Amount/ Shares	Cost Value	Book Value	Market Value	Days to Maturity	Accrued Interest	% of Portfolio
Cash	1.537%	2,004,039.00	2,004,039.00	2,004,039.00	2,004,039.00	1	-	1.32
Certificate Of Deposit	2.373%	11,095,000.00	11,094,387.50	11,094,652.45	11,308,955.39	762	60,531.73	7.32
Corporate Bond	2.683%	22,530,000.00	22,670,202.00	22,562,040.08	22,577,735.00	707	179,431.08	14.87
FFCB Bond	2.300%	2,000,000.00	2,000,000.00	2,000,000.00	2,016,540.00	536	1,672.22	1.32
FHLMC Bond	1.950%	3,000,000.00	3,000,000.00	3,000,000.00	3,022,320.00	691	15,969.44	1.98
Local Government Investment Pool	2.020%	78,613,928.41	78,613,928.41	78,613,928.41	78,613,928.41	1	-	51.88
Money Market	0.750%	3,698,487.91	3,698,487.91	3,698,487.91	3,698,487.91	1	-	2.44
Municipal Bond	2.276%	28,594,683.81	28,530,410.76	28,536,334.13	29,003,022.58	596	151,206.55	18.87
Total / Average	2.158%	\$ 151,536,139.13	\$ 151,611,455.58	\$ 151,509,481.98	\$ 152,245,028.29	295	\$ 408,811.02	100.00

	Book Value	% of Portfolio	Interest Earnings (FY)	Total Rate of Return (FY)
Pooled Equity				
City of Folsom Cash and Investments (excluding RDSA, PFPA & FRFA amounts)	\$ 139,814,363.85	92.28%	\$ 2,465,421.28	2.35%
Redevelopment Successor Agency (included in RDSA Investment Report)	10,190,273.83	6.73%	160,772.57	2.47%
Public Financing Authority (included in PFA Investment Report)	1,504,844.30	0.99%	1,581,155.04	3.41%
Folsom Ranch Financing Authority (included in FRFA Investment Report)	-	0.00%	2,323,589.45	4.90%
Total Pooled Equity	\$ 151,509,481.98	100.00%		

Redevelopment Successor Agency	YTM @ Cost	Face Amount/ Shares	Cost Value	Book Value	Market Value	Days to Maturity	Accrued Interest	% of Portfolio
Cash	2.360%	3,085,445.41	3,085,445.41	3,085,445.41	3,085,445.41	1	-	30.28
Non-Housing 2011A Proceeds	2.360%	2,591,951.25	2,591,951.25	2,591,951.25	2,591,951.25	1	-	25.43
Housing 2011B Proceeds	2.360%	4,512,877.17	4,512,877.17	4,512,877.17	4,512,877.17	1	-	44.29
Money Market	0.200%	234.00	234.00	234.00	234.00	1	-	0.00
Total / Average	2.360%	\$ 10,190,507.83	\$ 10,190,507.83	\$ 10,190,507.83	\$ 10,190,507.83	1	\$ -	100.00

Folsom Public Financing Authority	YTM @ Cost	Face Amount/ Shares	Cost Value	Book Value	Market Value	Days to Maturity	Accrued Interest	% of Portfolio
Cash	2.360%	1,504,844.30	1,504,844.30	1,504,844.30	1,504,844.30	1	-	2.51
Money Market	0.200%	6,365.16	6,365.16	6,365.16	6,365.16	1	-	0.01
Municipal Bond	3.384%	58,489,921.02	58,489,921.02	58,489,921.02	58,489,921.02	2734	164,953.25	97.48
Total / Average	3.358%	\$ 60,001,130.48	\$ 60,001,130.48	\$ 60,001,130.48	\$ 60,001,130.48	2665	\$ 164,953.25	100.00

Folsom Ranch Financing Authority	YTM @ Cost	Face Amount/ Shares	Cost Value	Book Value	Market Value	Days to Maturity	Accrued Interest	% of Portfolio
Municipal Bond	4.859%	71,540,000.00	71,540,000.00	71,540,000.00	71,540,000.00	7941	289,683.86	100.00
Total / Average	4.859%	\$ 71,540,000.00	\$ 71,540,000.00	\$ 71,540,000.00	\$ 71,540,000.00	7941	\$ 289,683.86	100.00

Stacey Tamagni, Finance Director

June 2, 2020

Date

ATTACHMENT 2
City of Folsom Portfolio Holdings as of March 31, 2020

City of Folsom Portfolio Holdings

Portfolio Holdings for Inv. Report
Report Format: By Transaction
Portfolio / Report Group: City of Folsom

Group By: Security Type
Average By: Face Amount / Shares
As of 3/31/2020

Description	Issuer	Coupon Rate	Face Amt/Shares	% of Portfolio
Cash				
Wells Fargo Cash	Wells Fargo	0.000	4,039.00	0.00
Wells Fargo Cash	Wells Fargo	1.540	2,000,000.00	1.32
Sub Total / Average Cash		1.537	2,004,039.00	1.32
Certificate Of Deposit				
Ally Bank 2 10/26/2020	Ally Bank	2.000	247,000.00	0.16
American Express - Centurion 2.3 4/5/2021	American Express - Centurion	2.300	247,000.00	0.16
Appalachian Community CU 3.2 2/28/2022	Appalachian Community CU	3.200	245,000.00	0.16
Belmont Savings Bank 2.75 3/14/2023	Belmont Savings Bank	2.750	246,000.00	0.16
Beneficial Bank 2.15 10/18/2022	Beneficial Bank	2.150	247,000.00	0.16
BMO Harris Bank NA 2 10/18/2023-20	BMO Harris Bank NA	2.000	248,000.00	0.16
BMW Bank 2.1 9/15/2021	BMW Bank	2.100	247,000.00	0.16
Capital One Bank USA NA 2.35 8/26/2020	Capital One Bank USA NA	2.350	247,000.00	0.16
CIT Bank, NA 1.05 3/28/2022	CIT Bank, NA	1.050	248,000.00	0.16
Citibank, NA 2.8 4/26/2021	Citibank, NA	2.800	245,000.00	0.16
Citizens Deposit Bank of Arlington, Inc. 3.1 6/29/	Citizens Deposit Bank of Arlington, Inc.	3.100	246,000.00	0.16
Discover Bank 2.25 2/15/2022	Discover Bank	2.250	247,000.00	0.16
East Boston Savings Bank 2.3 7/30/2021	East Boston Savings Bank	2.300	247,000.00	0.16
Essential FCU 3.55 12/5/2023	Essential FCU	3.550	245,000.00	0.16
Farmer's & Merchants Bank 3.3 9/27/2023	Farmer's & Merchants Bank	3.300	245,000.00	0.16
First Bank of Highland Park 2.2 8/23/2022	First Bank of Highland Park	2.200	247,000.00	0.16
Greenstate Credit Union 1.9 2/28/2022	Greenstate Credit Union	1.900	249,000.00	0.16
HSBC Bank Step 11/17/2020-18	HSBC Bank	3.100	245,000.00	0.16
Investors Bank 2.1 12/28/2020	Investors Bank	2.100	247,000.00	0.16
Jefferson Financial FCU 2.45 11/10/2022	Jefferson Financial FCU	2.450	245,000.00	0.16
Keesler FCU 3.05 8/30/2021	Keesler FCU	3.050	249,000.00	0.16
LCA Bank 2.1 6/21/2021	LCA Bank	2.100	247,000.00	0.16
Medallion Bank 2.15 10/11/2022	Medallion Bank	2.150	247,000.00	0.16
Mercantil Commercebank NA 1.65 6/24/2021	Mercantil Commercebank NA	1.650	247,000.00	0.16
Morgan Stanley Bank, NA 2.2 7/25/2024	Morgan Stanley Bank, NA	2.200	247,000.00	0.16
Morgan Stanley Private Bank, NA 2.2 7/18/2024	Morgan Stanley Private Bank, NA	2.200	247,000.00	0.16
National Cooperative Bank, NA 3.4 12/21/2023	National Cooperative Bank, NA	3.400	245,000.00	0.16
Neighbors FCU 3.3 9/19/2023	Neighbors FCU	3.300	245,000.00	0.16
Nicolet National Bank 1.1 3/28/2022-20	Nicolet National Bank	1.100	249,000.00	0.16
Public Service CU 3.15 10/26/2021	Public Service CU	3.150	245,000.00	0.16
Raymond James Bank, NA 1.95 8/23/2023	Raymond James Bank, NA	1.950	247,000.00	0.16

Sallie Mae Bank 2.6 4/18/2022	Sallie Mae Bank	2.600	246,000.00	0.16
Sterling Bank 2.35 4/2/2020	Sterling Bank	2.350	248,000.00	0.16
SunTrust Bank Step 1/30/2023-20	SunTrust Bank	2.500	245,000.00	0.16
Synchrony Bank 2.4 5/19/2022	Synchrony Bank	2.400	240,000.00	0.16
Third Federal Savings and Loan 2 7/28/2021	Third Federal Savings and Loan	2.000	245,000.00	0.16
TIAA, FSB 2.2 8/16/2022	TIAA, FSB	2.200	247,000.00	0.16
Townebank 2.8 11/24/2020	Townebank	2.800	246,000.00	0.16
UBS Bank USA 2.9 4/3/2024	UBS Bank USA	2.900	249,000.00	0.16
Uinta County Bank 2.6 2/16/2023	Uinta County Bank	2.600	246,000.00	0.16
Valley Strong CU 1.1 9/20/2021	Valley Strong CU	1.100	249,000.00	0.16
Valliance Bank 1.55 2/19/2021	Valliance Bank	1.550	247,000.00	0.16
Vibrant CU 3.1 12/21/2020	Vibrant CU	3.100	246,000.00	0.16
VisionBank of Iowa 2.15 5/31/2022	VisionBank of Iowa	2.150	247,000.00	0.16
Wells Fargo National Bank West LV 1.9 1/29/2023	Wells Fargo National Bank West LV	1.900	249,000.00	0.16
Sub Total / Average Certificate Of Deposit		2.384	11,095,000.00	7.32

Corporate Bond				
American Express Credit 2.25 5/5/2021-21	American Express Credit	2.250	1,000,000.00	0.66
Bank of America Corp 3.499 8/17/2022-21	Bank of America Corp	3.499	2,000,000.00	1.32
Bank of America Corp Step 2/10/2025-21	Bank of America Corp	2.125	2,000,000.00	1.32
Bank of NY Mellon 2.6 2/7/2022-22	Bank of NY Mellon	2.600	1,000,000.00	0.66
Bank of NY Mellon 3.5 4/28/2023	Bank of NY Mellon	3.500	1,000,000.00	0.66
Citibank NA 2.125 10/20/2020-20	Citibank NA	2.125	1,000,000.00	0.66
Citibank, NA 2.1 6/12/2020-20	Citibank, NA	2.100	1,000,000.00	0.66
General Elec Cap Corp 5.55 5/4/2020	General Elec Cap Corp	5.550	1,000,000.00	0.66
JPMorgan Chase & Co 2.295 8/15/2021-20	JPMorgan Chase & Co	2.295	1,000,000.00	0.66
JPMorgan Chase & Co 2.55 3/1/2021-21	JPMorgan Chase & Co	2.550	2,000,000.00	1.32
MUFG Union Bank NA 3.15 4/1/2022-22	MUFG Union Bank NA	3.150	1,000,000.00	0.66
PNC Bank NA 2.15 4/29/2021-21	PNC Bank NA	2.150	1,000,000.00	0.66
PNC Bank NA 2.15 4/29/2021-21	PNC Bank NA	2.150	1,000,000.00	0.66
State Street Corp 2.653 5/15/2023-22	State Street Corp	2.653	2,530,000.00	1.67
Wells Fargo & Co 2.5 3/4/2021	Wells Fargo & Co	2.500	2,000,000.00	1.32
Wells Fargo & Co 2.625 7/22/2022	Wells Fargo & Co	2.625	1,000,000.00	0.66
Wells Fargo & Co. 3.069 1/24/2023-22	Wells Fargo & Co.	3.069	1,000,000.00	0.66
Sub Total / Average Corporate Bond		2.735	22,530,000.00	14.87

FFCB Bond				
FFCB 2 9/23/2022-20	FFCB	2.000	1,000,000.00	0.66
FFCB 2.6 9/14/2020	FFCB	2.600	1,000,000.00	0.66
Sub Total / Average FFCB Bond		2.300	2,000,000.00	1.32

FHLMC Bond				
FHLMC 1.85 11/27/2020-17	FHLMC	1.850	2,000,000.00	1.32
FHLMC 2.15 8/7/2024-20	FHLMC	2.150	1,000,000.00	0.66
Sub Total / Average FHLMC Bond		1.950	3,000,000.00	1.98

Local Government Investment Pool				
LAIF City LGIP	LAIF City	2.020	63,598,399.93	41.97
LAIF PPFA LGIP	LAIF PPFA	2.020	15,015,528.48	9.91

Sub Total / Average Local Government Investment		2.020	78,613,928.41	51.88
Money Market				
Wells Fargo MM	Wells Fargo	0.750	650,191.44	0.43
Wells Fargo MM	Wells Fargo	0.750	3,048,296.47	2.01
Sub Total / Average Money Market		0.750	3,698,487.91	2.44
Municipal Bond				
CA St DWR Pwr Supp Rev 1.713 5/1/2021	CA St DWR Pwr Supp Rev	1.713	944,683.81	0.62
CA St DWR Pwr Supp Rev 2 5/1/2022	CA St DWR Pwr Supp Rev	2.000	1,000,000.00	0.66
CA St DWR Pwr Supp Rev 2 5/1/2022	CA St DWR Pwr Supp Rev	2.000	1,000,000.00	0.66
CA St DWR Pwr Supp Rev 5 5/1/2021	CA St DWR Pwr Supp Rev	5.000	500,000.00	0.33
Cabrillo CCD 1.913 2/1/2021	Cabrillo CCD	1.913	225,000.00	0.15
Cabrillo CCD 1.913 8/1/2022	Cabrillo CCD	1.913	230,000.00	0.15
Carson RDA SA TABs 2.742 2/1/2021	Carson RDA SA TABs	2.742	145,000.00	0.10
Carson RDA SA TABs 2.992 2/1/2022-17	Carson RDA SA TABs	2.992	100,000.00	0.07
Cent. Contra Costa San Dist Rev. Bonds 2.96 9/1/2	Cent. Contra Costa San Dist Rev. Bonds	2.960	235,000.00	0.16
Coast CCD GOBs 1.975 8/1/2023	Coast CCD GOBs	1.975	1,265,000.00	0.83
CSU Revenue Bonds 2.982 11/1/2021	CSU Revenue Bonds	2.982	300,000.00	0.20
Davis RDA-SA TABs 1.68 9/1/2021	Davis RDA-SA TABs	1.680	1,200,000.00	0.79
Davis RDA-SA TABs 1.72 9/1/2022	Davis RDA-SA TABs	1.720	1,225,000.00	0.81
Davis RDA-SA TABs 1.75 9/1/2023	Davis RDA-SA TABs	1.750	625,000.00	0.41
Fullerton RDA SA TABs 5.774 9/1/2020	Fullerton RDA SA TABs	5.774	100,000.00	0.07
Gilroy USD 1.721 8/1/2021	Gilroy USD	1.721	320,000.00	0.21
Highland RDA-SA TABs 2 2/1/2021	Highland RDA-SA TABs	2.000	405,000.00	0.27
Highland RDA-SA TABs 2.25 2/1/2022	Highland RDA-SA TABs	2.250	390,000.00	0.26
Imperial CCD 1.854 8/1/2020	Imperial CCD	1.854	200,000.00	0.13
Imperial CCD 1.874 8/1/2021	Imperial CCD	1.874	200,000.00	0.13
LA Cnty RDA Ref Auth 2 9/1/2022	LA Cnty RDA Ref Auth	2.000	1,235,000.00	0.81
Long Beach CCD 1.738 8/1/2021	Long Beach CCD	1.738	780,000.00	0.51
Marin CCD GOBs 2.243 8/1/2021-16	Marin CCD GOBs	2.243	650,000.00	0.43
Monrovia RDA-SA 2.35 5/1/2020	Monrovia RDA-SA	2.350	165,000.00	0.11
Murrieta RDA-SA TABs 2 8/1/2020	Murrieta RDA-SA TABs	2.000	400,000.00	0.26
Murrieta RDA-SA TABs 2.25 8/1/2021	Murrieta RDA-SA TABs	2.250	350,000.00	0.23
Murrieta RDA-SA TABs 2.5 8/1/2022	Murrieta RDA-SA TABs	2.500	250,000.00	0.16
Riverside CCD 2.848 8/1/2020	Riverside CCD	2.848	500,000.00	0.33
Riverside Cnty PFA 1.84 7/1/2023	Riverside Cnty PFA	1.840	195,000.00	0.13
San Dieguito USD GOBs 2.793 8/1/2020	San Dieguito USD GOBs	2.793	500,000.00	0.33
San Francisco RDA SA TABs 2.796 8/1/2021	San Francisco RDA SA TABs	2.796	1,000,000.00	0.66
San Jose RDA-SA 2.259 8/1/2020	San Jose RDA-SA	2.259	1,000,000.00	0.66
San Jose RDA-SA 2.63 8/1/2022	San Jose RDA-SA	2.630	1,000,000.00	0.66
San Jose RDA-SA 2.63 8/1/2022	San Jose RDA-SA	2.630	1,000,000.00	0.66
San Jose RDASA TABs 2.828 8/1/2023	San Jose RDASA TABs	2.828	500,000.00	0.33
Santa Clara County GOBs 2.125 8/1/2020	Santa Clara County GOBs	2.125	1,000,000.00	0.66
Santa Cruz County Cap FA Lease Rev 2.88 6/1/2020	Santa Cruz County Cap FA Lease Rev	2.880	490,000.00	0.32
Santa Rosa RDSA 2.75 8/1/2020	Santa Rosa RDSA	2.750	400,000.00	0.26
Santee CDC Successor Ag 2 8/1/2020	Santee CDC Successor Ag	2.000	385,000.00	0.25
SF BART Rev Bonds 2.621 7/1/2023-17	SF BART Rev Bonds	2.621	735,000.00	0.49

State of CA GO 2.5 10/1/2022	State of CA GO	2.500	1,000,000.00	0.66
Univ of CA Revenue 1.49 5/15/2020-16	Univ of CA Revenue	1.490	1,000,000.00	0.66
Univ of CA Revenue 2.15 5/15/2021-17	Univ of CA Revenue	2.150	1,000,000.00	0.66
Univ of CA Revenue 2.553 5/15/2021-19	Univ of CA Revenue	2.553	300,000.00	0.20
Univ of CA Revenue 2.657 5/15/2023-19	Univ of CA Revenue	2.657	500,000.00	0.33
Univ of CA Revenue 3.283 5/15/2022-18	Univ of CA Revenue	3.283	500,000.00	0.33
Vacaville RDA-SA TABs 1.848 9/1/2020	Vacaville RDA-SA TABs	1.848	450,000.00	0.30
West Contra Costa USD GOBs 3.031 8/1/2021	West Contra Costa USD GOBs	3.031	300,000.00	0.20
West Sacramento Area Flood Control Agy 1.797 9/	West Sacramento Area Flood Control Agy	1.797	200,000.00	0.13
West Sacramento Area Flood Control Agy 1.847 9/	West Sacramento Area Flood Control Agy	1.847	200,000.00	0.13
Sub Total / Average Municipal Bond		2.274	28,594,683.81	18.87
Total / Average		2.166	151,536,139.13	100.00

ATTACHMENT 3
City of Folsom Transaction Summary, Third Quarter of Fiscal Year 2020

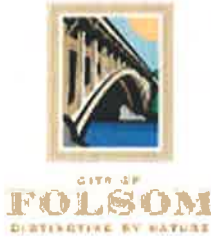
City of Folsom Transactions Summary

Transaction Summary - Investment Report
Portfolio / Report Group: City of Folsom

Group By: Action
Begin Date: 01/01/2020, End Date: 03/31/2020

Description	Security Type	Settlement Date	Maturity Date	Face Amt/Shares	Principal	YTM @ Cost
Buy						
Bank of America Corp Step 2/10/2025-21	Corporate Bond	03/09/2020	02/10/2025	2,000,000.00	2,010,000.00	2.140
CA St DWR Pwr Supp Rev 5 5/1/2021	Municipal Bond	03/16/2020	05/01/2021	500,000.00	518,295.00	1.700
CIT Bank, NA 1.05 3/28/2022	Certificate Of Deposit	03/26/2020	03/28/2022	248,000.00	248,000.00	1.050
LA Cnty RDA Ref Auth 2 9/1/2022	Municipal Bond	03/20/2020	09/01/2022	1,235,000.00	1,247,399.40	1.580
Nicolet National Bank 1.1 3/28/2022-20	Certificate Of Deposit	03/27/2020	03/28/2022	249,000.00	249,000.00	1.100
Riverside Cnty PFA 1.84 7/1/2023	Municipal Bond	03/12/2020	07/01/2023	195,000.00	195,000.00	1.840
Valley Strong CU 1.1 9/20/2021	Certificate Of Deposit	03/18/2020	09/20/2021	249,000.00	249,000.00	1.100
Valliance Bank 1.55 2/19/2021	Certificate Of Deposit	03/17/2020	02/19/2021	247,000.00	247,000.00	1.550
Wells Fargo National Bank West LV 1.9 1/29/2023	Certificate Of Deposit	01/29/2020	01/29/2023	249,000.00	249,000.00	1.900
West Sacramento Area Flood Control Agy 1.797 9/1/2	Municipal Bond	01/29/2020	09/01/2021	200,000.00	200,000.00	1.797
West Sacramento Area Flood Control Agy 1.847 9/1/2	Municipal Bond	01/29/2020	09/01/2022	200,000.00	200,000.00	1.847
Sub Total / Average Buy				5,572,000.00	5,612,694.40	
Called						
FAMC 2.69 9/3/2021-20	FAMC Bond	03/03/2020	09/03/2021	1,000,000.00	1,000,000.00	0.000
FFCB 2.03 2/27/2024-20	FFCB Bond	02/27/2020	02/27/2024	2,000,000.00	2,000,000.00	0.000
FHLB 1.8 9/1/2023-16	FHLB Bond	03/13/2020	09/01/2023	500,000.00	500,000.00	0.000
FHLB 2.07 6/30/2023-16	FHLB Bond	03/10/2020	06/30/2023	1,184,210.53	1,184,210.53	0.000
FHLB 2.07 6/30/2023-16	FHLB Bond	01/23/2020	06/30/2023	165,789.47	165,789.47	0.000
FHLMC 2 7/27/2021-18	FHLMC Bond	01/27/2020	07/27/2021	1,000,000.00	1,000,000.00	0.000
First Technology FCU 3.25 3/4/2024-20	Certificate Of Deposit	03/04/2020	03/04/2024	249,000.00	249,000.00	0.000
International Bank for Reconstruction and Developm	Corporate Bond	01/15/2020	10/15/2022	2,000,000.00	2,000,000.00	0.000
Security First Bank 3.25 1/25/2024-20	Certificate Of Deposit	01/25/2020	01/25/2024	245,000.00	245,000.00	0.000
Sub Total / Average Called				8,344,000.00	8,344,000.00	
Matured						
Carson RDA SA TABs 2.503 2/1/2020	Municipal Bond	02/01/2020	02/01/2020	250,000.00	250,000.00	0.000
CIT Bank 2.1 1/14/2020	Certificate Of Deposit	01/14/2020	01/14/2020	247,000.00	247,000.00	0.000
Crescent Bank & Trust 1.65 2/18/2020	Certificate Of Deposit	02/18/2020	02/18/2020	244,000.00	244,000.00	0.000
Flagstar Bank FSB 2.15 1/27/2020	Certificate Of Deposit	01/27/2020	01/27/2020	247,000.00	247,000.00	0.000
Highland RDA-SA TABs 1.75 2/1/2020	Municipal Bond	02/01/2020	02/01/2020	350,000.00	350,000.00	0.000
Notre Dame FCU 2.2 1/13/2020	Certificate Of Deposit	01/13/2020	01/13/2020	247,000.00	247,000.00	0.000
Reading Co-operative 2.35 3/16/2020	Certificate Of Deposit	03/16/2020	03/16/2020	248,000.00	248,000.00	0.000
State Bank of India LA 2.5 3/20/2020	Certificate Of Deposit	03/20/2020	03/20/2020	246,000.00	246,000.00	0.000
Tristate Capital Bank 2.3 1/31/2020	Certificate Of Deposit	01/31/2020	01/31/2020	247,000.00	247,000.00	0.000
Sub Total / Average Matured				2,326,000.00	2,326,000.00	

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Folsom City Council Staff Report

MEETING DATE:	6/9/2020
AGENDA SECTION:	New Business
SUBJECT:	Resolution No. 10465 - A Resolution Approving and Certifying Addendum No. 2 to the Environmental Impact Report for the Folsom South of U.S. 50 Specific Plan Project (State Clearinghouse #2008092051) and Approving Transfer of up to 5,000 Acre-Feet of Water to State Water Contractors
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 10465 - A Resolution Approving and Certifying Addendum No. 2 to the Environmental Impact Report for the Folsom South of U.S. 50 Specific Plan Project (State Clearinghouse #2008092051) and Approving Transfer of up to 5,000 Acre-Feet of Water to State Water Contractors.

BACKGROUND / ISSUE

The Water Conservation Act of 2009, or Senate Billx7-7 (SBx7-7, Steinberg), amended the Water Code, under Sections 10608.20 and 10608.24, to require the City to increase water use efficiency, and to identify a method for the State to achieve a 20% statewide reduction in urban per capita water use by December 31, 2020. Under SBx7-7, the City has been required to reduce its per capita water use by 20% since 2009. SB7x7 states that water conservation under that law is subject to Water Code Section 1011, which enables water suppliers to retain their rights in conserved water and transfer it.

Since 2009, to comply with SBx7-7, the City has undertaken various water management measures, including implementing metered water rates beginning on January 1, 2013 and carrying out the Water Systems Optimization Review (SOR) Program, consisting of conservation, repairs, improvements and replacements of existing water transmission and

distribution facilities. On February 24, 2009, City Council adopted Resolution No. 8457, Declaring an Intent to Retain Control of Conserved Water, which in accordance with Water Code Section 1011 permits the City to retain, use and transfer water supplies resulting from its conservation actions.

The City has reduced its consumptive use of American River water under its pre-1914 water rights through the above conservation measures. In addition, under a 2007 agreement with the City, Aerojet has stopped using American River delivered by the City under its water rights for non-potable industrial use and is now using remediated groundwater from its contaminated site for that purpose. Prior to implementation of these measures, the City's maximum diversion of water under its water rights and contracts reached approximately 27,000 acre-feet (AF) in 2007. In 2019, the City's diversion of water was approximately 17,700 AF.

In 2011, the City Council approved the Folsom Plan Area Specific Plan (Folsom Plan Area). At that time, the identified water supply for the Folsom Plan Area was a proposed transfer of Sacramento River water from Natomas Central Mutual Water Company, in the area of the Sacramento airport, with that water being pumped from the Freeport diversion facility in south Sacramento to the City. On December 12, 2012, the City Council, however, approved a change in the Folsom Plan Area's water supply to be use of conserved water made available by the SOR Program and other conservation measures. In order to make this change to the Folsom Plan Area's water supply, the City Council, among other things, certified an addendum to the Folsom Plan Area's environmental impact report and a related agreement with landowners in the Folsom Plan Area. The City Council's related resolutions included the following:

- a) Resolution No. 9096 - A Resolution Approving and Certifying an Addendum to the Environmental Impact Report for the Folsom Plan Area Specific Plan Project for Purposes of Analyzing an Alternative Water Supply for the Project; and
- b) Resolution No. 9097 - A Resolution Approving a Water Supply and Facilities Financing Plan and Agreement Between the City of Folsom and Folsom Plan Area Landowners for a Water Supply for the Folsom Plan Area, Authorizing the City Manager to Execute the Agreement, and Authorizing the Filing of an Action to Validate the Agreement.

Since adoption of Addendum No. 1 in 2012, it has been determined that consistent with standard land development practices, the Folsom Plan Area will not be fully developed for many years. Accordingly, the Folsom Plan Area's full water demand will not occur for many years and the City can temporarily transfer 5,000 AF of water available to it under its pre-1914 rights that are the source of the water supply for the Folsom Plan Area under Addendum No. 1. The landowners in the Folsom Plan Area have requested that the City seek to implement such a transfer to defray their financial obligations under the 2012 water supply agreement.

Therefore, the City proposes a short-term (one-year) transfer of 5,000 AF of water to certain State Water Contractors (SWCs). This is a very dry year and the SWCs, which are located

primarily in the San Joaquin Valley, have limited supplies and therefore are seeking water transfers.

POLICY / RULE

Water Code section 1011(a) defines “water conservation” as follows: *“For purposes of this section, the term ‘water conservation’ shall mean the use of less water to accomplish the same purpose or purposes of use allowed the existing appropriative right.”*

Water Code section 1011(b) states, *“Water, or the right to the use of water, the use of which has ceased or been reduced as the result of water conservation efforts as described in subdivision (a), may be sold, leased, exchanged, or otherwise transferred pursuant to any provision of law relating to the transfer of water or water rights, including, but not limited to, provisions of law governing any change in point of diversion, place of use, and purpose of use due to the transfer.”*

Water Code section 1706 applies to pre-1914 rights, which predate the state’s Water Commission Act. Section 1706 states, *“The person entitled to the use of water by virtue of an appropriation other than under the Water Commission Act or this code may change the point of diversion, place of use, or purpose of use if others are not injured by such change, and may extend the ditch, flume, pipe, or aqueduct by which the diversion is made to places beyond that where the first use was made.”* Section 1706 allows the City itself to make changes to its pre-1914 rights without approval by the State Water Resources Control Board.

ANALYSIS

The City has reduced its consumptive use of American River water through significant system improvements and other conservation actions and through its agreement with Aerojet, under which Aerojet agreed to use remediated groundwater for non-potable industrial purposes. Through implementation of these measures, the City has reduced its maximum water demand by approximately 10,000 AFY (2007 water demand compared to 2019).

In 2012, the City Council approved the dedication and use of 5,600 AFY of the yield of the City’s conservation measures as the source of the water supply for future development of the Folsom Plan Area. In December 2012, the City approved an addendum (Addendum No. 1) to the Folsom Plan Area Project EIR/EIS that analyzed an alternative (new) water supply source to the Folsom Plan Area.

Of the approximately 10,000 AF of now available American River water under the City’s pre-1914 water rights, the City transferred up to 5,000 AFY during 2012 through 2016 to the Golden State Water Company (GSWC) for use in its Rancho Cordova service area in each of those years, with acknowledgement from the federal Bureau of Reclamation (Reclamation). The agreement between the City and GSWC has expired; and therefore, the City will not

transfer water to that entity during 2020. Instead, the City is seeking to transfer this same quantity, up to 5,000 AF, to participating SWC in a temporary one-year transfer during 2020.

The quantity of water transferred would be coordinated with Reclamation and Department of Water Resources (DWR) for releases from Folsom Reservoir into the American River, and through the Sacramento River and Sacramento-San Joaquin Delta (Delta), for diversion of the transferred water at DWR's Banks Pumping Plant and conveyance to the participating SWCs. No new water supply conveyance, diversion or treatment facilities would be constructed as part of the proposed transfer.

The City's Conservation Program and Use of Remediated Groundwater for Industrial Purposes

The City's conservation program has consisted of many elements, including:

- Leak and loss detection and repairs, namely the Water Systems Optimization Review (SOR) Program
- Water system upgrades
- Water metering
- Implementing the California Model Water Landscape Ordinance (MWELo)
- Implementing the California Green Building Code Standards (Cal Green)
- Implementing the best management practices (water audits, conservation programs, etc.) of the California Urban Water Conservation Council (now California Water Efficiency Partnership)

In addition, the City significantly reduced demand on its pre-1914 water rights in the American River through the 2007 agreement with Aerojet under which Aerojet began using its own remediated groundwater for non-potable industrial purposes as a substitute supply.

Reduction in Consumptive Use through Distribution System Upgrades and Repairs

The City implemented its leak and loss detection and repairs, and water system upgrades, pursuant to a System Optimization Review (SOR) it conducted under the U.S. Bureau of Reclamation's *Water for America Challenge Grant Program*. The best estimate of the reduction in losses from the City's water system that resulted from the SOR and following physical work on that system is 4,625 acre-feet per year. This estimate is documented in an October 15, 2012 memorandum from Water Systems Optimization, Inc.

Use of Aerojet's Remediated Groundwater for Industrial Purposes

Before 2015, under a contract, the City delivered raw water diverted from Folsom Reservoir under the City's pre-1914 rights to Aerojet for Aerojet's industrial use. This volume of water averaged 3,408 acre-feet per year during the 2008-2014 period, with a high of 3,897 acre-feet

in 2008 and a low of 2,614 acre-feet in 2014. In 2015, under a 2007 contract, Aerojet began dedicating to the City previously contaminated groundwater Aerojet had remediated and treated at its GET AB facility, with the City routing that water to Aerojet for its non-potable industrial use in lieu of the City's raw water from Folsom Reservoir.¹

Prior to the 2015 initiation of Aerojet's use of GET AB water under the 2007 contract with the City, Aerojet historically discharged the GET AB water to the Rebel Hill Ditch, where that water infiltrated into the groundwater. Aerojet also was authorized to discharge the GET AB water to Buffalo Creek. Consistent with this physical situation, the City understands from Aerojet that GET AB water discharged to Buffalo Creek percolated from the creek into the ground before reaching the American River. Since the middle of 2016, the City has not delivered any raw water to Aerojet. Thus, the use of remediated groundwater has resulted in a reduction of over 2,600 acre-feet per year of surface water under the City's pre-1914 water rights.

Summary of Results of City's Program

Through all of the efforts listed above, including the SOR conservation program and the use of remediated groundwater as a supply for Aerojet's industrial operations, the City has reduced use of the City's pre-1914 supplies from Folsom Reservoir from 2007 levels to current levels (Calendar Year 2019) by approximately 10,000 acre-feet. This combined quantity also includes water conserved through other additional efforts within the City to reduce water use.

Addendum No. 2 has been prepared to evaluate the potential impacts of the proposed modification of the Folsom Plan Area Project to include a one-year transfer of approximately 5,000 AF of water from the source dedicated to the Folsom Plan Area through Addendum No. 1, as well as water made available by Aerojet's use of remediated groundwater. The City plans to partner with participating SWCs in 2020 to transfer that 5,000 AF under the SWC's Dry Year Transfer Program. Addendum No. 2 finds, among other things, that:

- The transfer would not impact fish or other environmental resources in the lower American River or the Delta because the volume of water that would be transferred would be quite small in comparison with projected streamflows through those waterbodies;
- The reliance of the transfer on Aerojet's groundwater pumping would not have impacts on groundwater because Aerojet is required to pump the relevant groundwater by regulatory orders concerning the remediation of the Aerojet site; and
- The transfer would not have impacts in the SWCs' service areas because the transfer is a one-year water supply that only would improve the SWCs' supplies in 2020 and would not be a reliable supply that would support growth or conversion of land to irrigated acreage.

¹ "GET" means "groundwater extraction and treatment."

In order to document the relationship of the transfer to the water supply for the Folsom Plan Area, there also will need to be an agreement with the landowners in that area under which those landowners would agree, among other things, that the inclusion of the “Aerojet water” in the transfer would not result in the dedication of that water supply to the Folsom Plan Area.

FISCAL IMPACT

There is no fiscal impact associated with the transfer of water. Landowners south of Highway 50 in the Folsom Plan Area currently pay for 5,000 AFY of water supplies under a take or pay contract for approximately \$1,800,000. The proposed transfer, if completed, would result in approximately \$1,750,000 in sales to offset most of the take or pay costs paid by the landowners.

ENVIRONMENTAL REVIEW

On June 14, 2011, City Council approved Resolution No. 8860 - A Resolution Certifying the Folsom Plan Area Specific Plan (FPASP) Final Joint Environmental Impact Report/Environmental Impact Statement. The City Council also adopted Findings of Fact and a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the FPASP project.

On December 12, 2012, City Council approved Resolution No. 9096 - A Resolution Approving and Certifying an Addendum to the Environmental Impact Report for the Folsom Plan Area Specific Plan Project for Purposes of Analyzing an Alternative Water Supply for the Project.

In accordance with CEQA Guidelines section 15164, an addendum to the EIR is appropriate for consideration for the proposed changes to the Folsom Plan Area project since the transfer of the relevant water supply will:

- (a) Not result in new significant impacts not identified in the Folsom Plan Area EIR/EIS, as modified by 2012’s Addendum No. 1: The transfer of the 5,000 AF to the SWCs will not have any incrementally significant effects on the environment;
- (b) Not substantially increase the severity of impacts previously disclosed in the Folsom Plan Area EIR/EIS: The impacts of the transfer of the relevant water are within the range of potential impacts identified in the Folsom Plan Area EIR/EIS, as modified by 2012’s Addendum No. 1; and
- (c) Not involve any of the other conditions related to new information: The impacts do not involve any of the other conditions related to new information that can require a subsequent or supplemental EIR under Public Resources Code section 21166 and CEQA Guidelines section 15162.

Specifically, the City has generated, and will generate, the American River water that would be transferred under its pre-1914 water rights through water management activities that already have been implemented and obtaining Aerojet's agreement to use, as a substitute supply, groundwater that it would pump for remediation with or without the transfer.

ATTACHMENTS

1. Resolution No. 10465 - A Resolution Approving and Certifying Addendum No. 2 to the Environmental Impact Report for the Folsom South of U.S. 50 Specific Plan Project (State Clearinghouse #2008092051) and Approving Transfer of up to 5,000 Acre-Feet of Water to State Water Contractors
2. Addendum No. 2 to the Environmental Impact Report for the Folsom South of U.S. 50 Specific Plan Project, with exhibits
3. Purchase Agreement for Water Transfer Between the City of Folsom and Certain State Water Contractors
4. Agreement Concerning 2020 Water Transfer Between the City of Folsom And Certain Landowners in the Folsom Plan Area
5. Staff Presentation Regarding Proposed Water Transfer

Submitted,

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

ATTACHMENT 1

RESOLUTION NO. 10465**A RESOLUTION APPROVING AND CERTIFYING ADDENDUM NO. 2 TO THE ENVIRONMENTAL IMPACT REPORT FOR THE FOLSOM SOUTH OF U.S. HIGHWAY 50 SPECIFIC PLAN PROJECT (STATE CLEARINGHOUSE #2008092051) AND APPROVING TRANSFER OF UP TO 5,000 ACRE-FEET OF WATER TO STATE WATER CONTRACTORS**

WHEREAS, since 2009, the City has undertaken various water conservation measures, including the Systems Optimization Water Project, which consisted of repairs, improvements and replacements of existing water transmission and distribution facilities; and

WHEREAS, on February 24, 2009, the City Council adopted Resolution No. 8457, Declaring an Intent to Retain Control of Conserved Water; and

WHEREAS, in 2011, the City Council approved the Folsom South of U.S. Highway 50 Specific Plan Project (“FPA Project”) and certified a related environmental impact report/environmental impact statement (State Clearinghouse No. 2008092051) (“FPA EIR/EIS”); and

WHEREAS, on December 11, 2012, the City Council approved an addendum to the FPA EIR/EIS to change the FPA Project’s water supply to a supply of 5,600 acre-feet a year supported by the City’s implementation of the Systems Optimization Water Project and other conservation measures; and

WHEREAS, also on December 11, 2012, the City and certain landowners in the FPA Project’s area signed a Water Supply And Facilities Financing Plan And Agreement Between The City Of Folsom And Certain Landowners In The Folsom Plan Area (“Water Supply Agreement”), which was recorded in the Sacramento County Official Records in Book 20130124, Page 1382 on January 24, 2013; and

WHEREAS, effective June 29, 2007, the City and Aerojet-General Corporation (“Aerojet”) signed the Agreement Between The City Of Folsom And Aerojet-General Corporation With Respect To Water Service, under which the City was able to reduce Aerojet’s demand for American River water under the City’s pre-1914 water rights by 5,000,000 gallons per day by securing Aerojet’s treatment to use, to meet Aerojet’s non-potable industrial demands, contaminated groundwater that Aerojet remediates; and

WHEREAS, through the conservation measures described above, other conservation measures and implementation of the 2007 Aerojet agreement, the City has reduced use of the City’s pre-1914 supplies from Folsom Reservoir from 2007 levels to current levels (Calendar Year 2019) by approximately 10,000 acre-feet; and

WHEREAS, the FPA Project’s area does not currently require the full water supply dedicated to it in the Water Supply Agreement and accordingly, under that agreement, the

landowners that are parties to that agreement requested that the City attempt to transfer water in 2020; and

WHEREAS, certain contractors of the State Water Project (“State Water Contractors”) are interested in purchasing water transferred by the City in 2020, which is a dry year; and

WHEREAS, to implement the proposed transfer pursuant to the Water Supply Agreement, the City has caused to be prepared a proposed Addendum No. 2 to the FPA EIR/EIS that analyzes the potential impacts of transferring water subject to the City’s pre-1914 water rights, and made available by Systems Optimization Water Project and by the implementation of the 2007 Aerojet agreement, to State Water Contractors in 2020 as a temporary one-year water transfer; and

WHEREAS, the City has provided all notices necessary for its consideration of approving and certifying Addendum No. 2 at the time and in the manner required by State law and the City Municipal Code; and

WHEREAS, all agreements necessary to implement the proposed 2020 water transfer will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED by the Folsom City Council that:

1. **Recitals.** The City Council hereby finds and determines that the recitals set forth above are true and correct and are incorporated herein by this reference.

2. **CEQA Addendum.** Pursuant to CEQA, the City Council hereby approves and certifies Addendum No. 2 to the FPA EIR as follows:

a. **Name of Project Change:** Folsom South of U.S. Highway 50 Specific Plan Project, CEQA Addendum No. 2 – 2020 Water Transfer (“Project Change”).

b. **Project Change Proponent and Lead Agency:** City of Folsom, 50 Natoma Street, Folsom, CA 95630, (916) 461-6162. Contact person: Marcus Yasutake, Environmental and Water Resources Director.

c. **Project Change Description:** The transfer of up to 5,000 acre-feet of water under the City’s pre-1914 water rights to participating State Water Contractors, as discussed in more detail in Addendum No. 2, which is attached as Item No. 2 to the staff report supporting this Resolution and incorporated herein by this reference.

d. **Project Change Location:** The City of Folsom provides retail water services within the City of Folsom’s water rights and contracts place of use. The State Water Contractors manage and operate facilities for distribution of water to customers in each respective agency’s service area, including water purchased by each agency from the State Water Project. The transfer will be made available from Folsom Reservoir; conveyed through the Lower American

River, the Sacramento River and the Sacramento-San Joaquin Delta (“Bay-Delta”); pumped into the California Aqueduct through the Department of Water Resources’ Harvey O. Banks Pumping Plant in the southern Bay-Delta; and delivered to the participating State Water Contractors’ service areas via the California Aqueduct, San Luis Dam and Reservoir and State Water Project facilities.

e. Findings: The City Council has reviewed the proposed Project Change, Addendum No. 2 and attached exhibits, and other documents and information provided by City staff and consultants. On the basis of this information and the whole record before the City Council, the City Council hereby finds and determines as follows:

- i) Addendum No. 2 reflects the City Council’s independent judgment and analysis;
- ii) The Project Change will not: (1) result in any new significant impacts not identified in the FPA EIR/EIS; (2) substantially increase the severity of impacts previously disclosed in the FPA EIR/EIS; or (3) involve any of the other conditions related to new information that would require a subsequent or supplemental EIR under Public Resources Code section 21166 and CEQA Guidelines section 15162;
- iii) Specifically, the City has generated the water supplies to be transferred as part of the Project Change by: (a) as discussed in the December 2012 Addendum to the FPA EIR/EIS, implementing the Systems Optimization Water Project and including its yield under the City’s pre-1914 water rights in the water supplies dedicated to the FPA Project, which does not require all of that dedicated supply in 2020; and (b) obtaining Aerojet’s agreement to use, for its non-potable industrial purposes, remediated groundwater rather than American River water subject to the City’s pre-1914 water rights;
- iv) As explained in more detail in Addendum No. 2 and its exhibits, the Project Change will: (a) not have any significant environmental effects on the Lower American River, the Sacramento River, the Bay-Delta or any aquatic resources in those waterbodies; (b) involve the transfer of water made available by the City’s System Optimization Water Project, which already was completed and involved maintenance of, and repairs on, the City’s existing water system; and (c) also will involve the transfer of water that Aerojet would pump for remediation purposes in any case if the City had not arranged for Aerojet’s use of that water as a substitute for non-potable supplies that the City previously had delivered to Aerojet from the American River.
- v) The City Council is not aware of any other new information of substantial importance that discloses that the FPA Project, including the Project Change, will have other or more severe significant environmental effects not previously discussed or that previously were rejected or other mitigation measures or alternatives are now feasible and effective.

- vi) Based on the above findings and determinations, there is no substantial evidence, in light of the whole record before the City Council, that the Project Change may have an incrementally significant effect on the environment.

f. Location and Custodian of Documents: Addendum No. 2 and its attachments, and documents referred to in Addendum No. 2 and exhibits, are on file and available for public review at the City's offices at the above address. The Environmental and Water Resources Director at the above address is the custodian of the documents that constitute the record of proceedings upon which the decision in this matter is based.

g. Notice of Determination: The City Council hereby authorizes and directs the City Manager or her designee to prepare, sign and post a CEQA Notice of Determination for Addendum No. 2 pursuant to the Governor's Executive Order N-54-20 within five days from the date of adoption of this Resolution, and to pay the applicable California Department of Fish and Game CEQA review fee and posting fee, if any, to the County Clerk.

3. Temporary Changes to The City's Pre-1914 Water Rights. Pursuant to Water Code section 1706, the City Council hereby temporarily amends the City's pre-1914 water rights for the term necessary to complete the water transfer to State Water Contractors that is part of the Project Change as follows:

a. The points of diversion and redirection temporarily are amended to include the Department of Water Resources' Harvey O. Banks Pumping Plant, as well as San Luis Dam and Reservoir, jointly operated by the Department of Water Resources and the federal Bureau of Reclamation;

b. The place of use temporarily is amended to include the service areas of the participating State Water Contractors;

c. The purpose of use temporarily is amended to include agricultural use; and

d. These changes will not injure any other legal user of water because: (i) as recognized in multiple contracts with the United States, the City holds a pre-1914 water right entitling it to divert 27,000 acre-feet per year of American River water, with diversions occurring year-round; (ii) the City's current level of diversion is approximately 17,700 acre-feet, as a result of numerous conservation measures and obtaining Aerojet's agreement to substitute other supplies to meet its needs; and (iii) the 5,000 acre-feet that the City is transferring is approximately 50% of the 9,300 acre-feet per year of reduced water use, resulting in the transfer having a safety margin of 4,300 acre-feet, which 86% of the transfer amount.

4. Execution of Agreements. The City Council hereby authorizes and directs the City Manager or her designee to execute, subject to the approval as to form of the City Attorney: (a) an Agreement Concerning 2020 Water Transfer Between The City Of Folsom And Certain Landowners In The Folsom Plan Area in substantially the form of Item 3 attached to the staff report for this matter; and (b) other agreements with the Department of Water Resources, the federal Bureau of Reclamation or other parties as may be necessary to implement the Project

Change.

5. Approval of Project Change. The City Council approves the Project Change as a modification of the FPA Project.

PASSED AND ADOPTED this 9th day of June 2020, by the following roll-call vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):
ABSTAIN: Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

FOLSOM SOUTH OF U.S. 50 SPECIFIC PLAN PROJECT

EIR/EIS Addendum #2

Prepared for
City of Folsom

June 2020



FOLSOM SOUTH OF U.S. 50 SPECIFIC PLAN PROJECT

EIR/EIS Addendum #2

Prepared for
City of Folsom

June 2020

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SECTION 1

Background and Purpose of this Addendum

1.1 Introduction

The Folsom South of U.S. Highway 50 Specific Plan Project (Folsom Plan Area Project) Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) was prepared by the City of Folsom (City) and the U.S. Army Corps of Engineers (USACE), in accordance with the requirements of the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) (State Clearinghouse #2008092051). The City, as lead agency under CEQA, certified the EIR on June 14, 2011 and adopted the Folsom Plan Area Project.

The City has reduced its consumptive use of water through significant system improvements and other conservation actions, and in 2012, the City Council approved the dedication and use of 5,600 acre-feet per year (AFY) of the yield of the City's conservation measures as the source of the water supply for future development of the Folsom Plan Area. In December 2012, the City approved an addendum (Addendum #1) to the Folsom Plan Area Project EIR/EIS that analyzed an alternative (new) water supply source to the Folsom Plan Area. The new water supply is derived through an exchange of Pre-1914 water rights supplies with the City's East Area and yield resulting from the City's conservation activities for up to 5,600 AFY. The exchange was made possible by the City's conservation activities, including a leak and loss detection and correction program known as the Systems Optimization Water Project. Addendum #1 evaluated this change in water supply source for the Folsom Plan Area Project and concluded that it would not result in new significant impacts, substantially increase the severity of previously disclosed impacts or involve any of the conditions related to changed circumstances or new information that would require preparation of a subsequent or supplemental EIR beyond those impacts identified and evaluated in the Folsom Plan Area Project EIR/EIS.

Consistent with standard land development practices, the Folsom Plan Area will not be fully developed for many years. Accordingly, the Folsom Plan Area's full water demand will not occur for many years and the City can temporarily transfer 5,000 AFY of water available under its pre-1914 rights that includes a source of the water supply for the Folsom Plan Area under Addendum #1. The source of the transfer water also includes substitution of remediated groundwater for Aerojet's industrial use in place of raw water that the City previously delivered to Aerojet under the City's pre-1914 rights. Therefore, the City proposes a short-term (one-year) transfer of 5,000 AF of water in 2020. This addendum (Addendum #2) has been prepared to evaluate the potential impacts of the proposed modification of the Folsom Plan Area Project to include a one-year transfer of approximately 5,000 AF of water from the source dedicated to the Folsom Plan Area

through Addendum #1, as well as water made available by Aerojet's use of remediated groundwater.

1.2 Purpose of the EIR Addendum

According to Section 15164(a) of the CEQA Guidelines, the lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 requiring preparation of a subsequent EIR have occurred. Section 15162 of the CEQA Guidelines lists the conditions that would require the preparation of a subsequent EIR rather than an addendum. These include the following:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time of the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
 - a. The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - b. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the Project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - d. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

In its 2016 decision in *Friends of College of San Mateo Gardens v. San Mateo Cty. Comm. College Dist.*, the California Supreme Court held that an addendum can be used under CEQA where these above conditions are met and the original CEQA document retains some informational value despite the proposed changes to the project. (*Friends of College of San Mateo Gardens v. San Mateo Cty. Comm. College Dist.* (2016) 1 Cal.5th 937, 947-948, 950-953.)

Under these standards, this Addendum #2 concludes that an addendum is the appropriate method for evaluating the proposed project changes.

SECTION 2

Description of Project Changes

2.1 Background

City Water Supply

The City has water rights and contracts for 34,000 AFY of surface water for diversion from the American River at Folsom Reservoir or the Folsom South Canal. These supplies are based on the following water rights and contracts:

- Pre-1914 Appropriative Water Right for 22,000 AFY.** The City's entitlement is based on a pre-1914 appropriative right from the South Fork of the American River established by the Natoma Water Company in 1851. Natoma Water Company's original pre-1914 water right established a maximum diversion rate "to fill a Canal Eight feet wide and Four feet deep with a current running ten miles per hour." This correlates to a diversion rate of 60 cubic feet per section (cfs) and a maximum quantity of 32,000 AFY. Of this quantity, the City acquired a 22,000 acre-foot (AF) entitlement under a 1967 co-tenancy agreement with what is now Golden State Water Company (GSWC). The remaining 10,000 AF is discussed below. The City's 22,000 AF portion of the pre-1914 right is conveyed by the Bureau of Reclamation (Reclamation) to the City under Contract No. 14-06-200-5515A. There are no dry-year shortage terms in Contract No. 14-06-200-5515A.
- Pre-1914 Appropriative Water Right for 5,000 AFY.** The City's 5,000 AF entitlement is also based on Natoma Water Company's pre-1914 appropriative water right from the South Fork of the American River. In November 1994, the City executed a contract with Southern California Water Company-Folsom Division (SCWC) – which is now GSWC – under which the City acquired the right to use 5,000 AF of water per year of the 10,000 AFY that SCWC had retained under the 1967 co-tenancy agreement identified above. The City's 5,000 AF entitlement is conveyed by Reclamation to the City under Contract No. 14-06-200-4816A. There are no dry-year shortage terms in Contract No. 14-06-200-4816A.
- Central Valley Project (CVP) Contract Entitlement for 7,000 AFY.** On February 28, 2020, the City executed a repayment contract with Reclamation for 7,000 AFA of CVP water supplies. This water is derived solely from American River water rights held by the Reclamation for diversion and storage at Folsom Reservoir. Reclamation's CVP water rights are junior to water rights that existed prior to the development of the CVP. In dry years, the water supply is subject to Reclamation's Municipal and Industrial Water Shortage Policy (M&I Shortage Policy). Under this policy, water supplies are reduced from a baseline volume depending upon the inflow and storage conditions. The City is not seeking to transfer, in 2020, any water available under its CVP repayment contract.

Folsom Plan Area Water Supply

To provide a reliable water supply to the Folsom Plan Area, the City proposed, and the 2011 Folsom Plan Area Project EIR/EIS evaluated, purchasing a permanent assignment of not more than 8,000 AFY of CVP contract water from the Natomas Central Water Company (NCMWC), diverting the water from the Sacramento River at the Freeport Regional Water Authority Project (Freeport Project) and conveying it to the Folsom Plan Area through new potable water infrastructure. The use of the Freeport Project was based on a Memorandum of Understanding (MOU) entered into between the City and Sacramento County Water Agency (SCWA) for the City to use 6.5 million gallons per day (MGD) of SCWA's portion of the Freeport Project. In addition, the approved project included construction and operation of new water supply conveyance infrastructure to deliver the water to the Folsom Plan Area.

As described in Addendum #1, due to the uncertainty in the schedule for Reclamation to approve the assignment of NCMWC CVP entitlement (8,000 AFY) to the City, the City modified the Folsom Plan Area's water supply to include water supply derived from certain of the City's water conservation activities (Revised Proposed Off-site Water Facilities Alternative). Water Code section 1011 permits the City to retain and use water supplies resulting from its water conservation actions. On February 24, 2009 – prior to the enactment of 2009's SBX7-7 conservation legislation – the Folsom City Council adopted Resolution No. 8457, which allows the City of Folsom to retain the rights of all water conserved. The City's conservation program consists of many elements, including:

- Leak and loss detection and repairs
- Water system upgrades
- Water metering and metered water rates
- Implementing the California Model Water Landscape Ordinance (MWELo)
- Implementing the California Green Building Code Standards (Cal Green)
- Implementing the best management practices (water audits, conservation programs, etc.) of the California Urban Water Conservation Council (now California Water Efficiency Partnership)

The conservation yield from the City's implementation of leak and loss detection and repair, and related water system upgrades pursuant to its Systems Optimization Water Project, as calculated by the City, is approximately 6,450 AFY. This yield is conserved from the City's existing water supply system, pursuant to unfunded state mandates, and exceeds the Folsom Plan Area's projected buildout water demand of 5,600 AFY. This calculation of the conservation yield includes a conservative assumption that the City's application of metered water rates would reduce consumption at metered connections by 10%. As discussed in the documents supporting Addendum #1, the standard assumption among water agencies is that the application of metered water rates will result in approximately a 20% reduction in consumption at metered connections.

Under Water Code section 1011, in 2012, City Council approved the dedication and use of the yield of the City's conservation measures and system improvements as the water supply for the future development of the Folsom Plan Area. Addendum #1 to the Folsom Plan Area Project EIR/EIS evaluated this new water supply source that included an exchange of supplies with the City's East Area and consisted of a combination of pre-1914 water rights (up to 5,000 AFY) and yield resulting from the City's conservation activities for up to 5,600 AFY.

Aerojet Water

Before 2015, under a contract, the City delivered raw water diverted from Folsom Reservoir under the City's pre-1914 rights to Aerojet for Aerojet's industrial use. This volume of water averaged 3,408 AFY during the 2008-2014 period, with a high of 3,897 AF in 2008 and a low of 2,614 AF in 2014. In 2015, under a 2007 contract, Aerojet began dedicating to the City previously contaminated groundwater Aerojet had remediated and treated at its groundwater extraction and treatment (GET) AB facility, with the City routing that water to Aerojet for its non-potable industrial use in lieu of the City's raw water from Folsom Reservoir.

Prior to the 2015 initiation of Aerojet's use of GET AB water under the 2007 contract with the City, Aerojet historically discharged the GET AB water to the Rebel Hill Ditch, where that water infiltrated into the groundwater. Aerojet also was authorized to discharge the GET AB water to Buffalo Creek. The GET AB discharge point on Buffalo Creek is more than six miles upstream of the creek's discharge point to the American River. Aerojet's GET AB discharges and operations have been regulated by a series of waste discharge requirements (WDRs) issued by the Central Valley Regional Water Quality Control Board (Central Valley Regional Board). The current WDRs are Regional Board Order R5-2017-0095, which describes GET AB, as well as several other GET facilities. Those WDRs state that not only is the point at which GET AB is discharged to Buffalo Creek several miles upstream of the American River, but also that Buffalo Creek features retention basins between that point and the river, with those ponds acting as points where "[t]he impounded water is stored for evaporation [and] percolation."¹ Consistent with this, the City understands from Aerojet that GET AB water discharged to Buffalo Creek percolated from the creek into the ground before reaching the American River².

Since the middle of 2016, the City has not delivered any raw water to Aerojet. As a result, the use of remediated groundwater has resulted in a reduction of over 2,600 AFY of surface water under the City's pre-1914 water rights.

2.2 Proposed Project Change

As discussed in Section 2.1 Background, the City holds pre-1914 appropriative rights to 22,000 AFY and 5,000 AFY, both of which are covered by water-right conveyance contracts with Reclamation. The City has reduced its consumptive use of American River water under its pre-1914 water rights through significant system improvements, other conservation actions, and use

¹ www.waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/sacramento/r5-2017-0095.pdf. The discussion of the retention basins is on page F-21 of Attachment F, which is the Fact Sheet.

² Personal communication between Todd Eising, City of Folsom, and Scott Goulart, Aerojet, March 16, 2020.

of remediated groundwater from the contaminated Aerojet site. Prior to implementation of these measures, the City's maximum water demand reached approximately 27,000 AF in 2007.

Through implementation of these measures, the City has reduced its maximum water demand by 10,000 AF (2007 water demand compared to current water demand [Calendar Year 2019]).

Of the 10,000 AF, the City transferred up to 5,000 AF during 2012 through 2016 to GSWC in each of those years, with acknowledgement from Reclamation. The agreement between the City and GSWC has expired; and therefore, the City will not transfer water to that entity during 2020. Instead, the City is seeking to transfer this same quantity, up to 5,000 AF, to participating State Water Contractors (SWC) in a temporary one-year transfer during 2020 (proposed transfer). The City understands that the participating SWCs are the following:

- Alameda County Water District
- Dudley Ridge Water District
- Kern County Water Agency
- County of Kings
- Tulare Lake Basin Water Storage District
- Palmdale Water District

The quantity of water transferred would be coordinated with Reclamation and Department of Water Resources (DWR) for releases from Folsom Reservoir into the American River, and through the Sacramento River and Sacramento-San Joaquin Delta (Delta), for diversion of the transferred water at DWR's Harvey O. Banks (Banks) Pumping Plant and conveyance to the participating SWCs. It is anticipated the proposed up to 5,000 AF transfer could occur through a range of operations scenarios. The following scenarios represent bookends of operations under which the transfer could occur:

- Release of 25 cubic feet per second (cfs) (approximately 1,500 AF) each month July 1 through October 8, 2020
- Release of 80 cfs (approximately 5,000 AF) of water in August 2020
- Release of 80 cfs (approximately 5,000 AF) water in September 2020

The 25-cfs release scenario reflects a bookend of a low instantaneous release/long duration operational scenario. The 80-cfs release scenarios represent high instantaneous release/short duration scenarios.

The actual release schedule for the proposed transfer water would be determined following completion of coordination with Reclamation and DWR.

No new water supply conveyance, diversion or treatment facilities would be constructed as part of the proposed transfer.

SECTION 3

Analysis of Potential Environmental Effects

3.1 Introduction

The Folsom Plan Area Project EIR/EIS, as amended through Addendum #1, evaluated potential environmental impacts in the following resource areas: aesthetics; air quality; biological resources; climate change; cultural resources; environmental justice, geology, soils, mineral resources and paleontological resources; hazardous and hazardous materials; hydrology and water quality; land use and agricultural resources; noise; parks and recreation; population, employment and housing; public services; traffic and transportation; utilities and service systems; groundwater; and water supply. Cumulative and growth-inducement impacts were also evaluated. These resource areas are reconsidered in this addendum in light of the proposed modification of the Folsom Plan Area Project described in this addendum.

Specifically, the addendum analyzes whether, with the proposed modifications, implementation of the Folsom Plan Area Project will result in any new significant impacts or substantially more severe impacts than those identified in the Folsom Plan Area Project EIR/EIS, as amended through Addendum No. 1. The Folsom Plan Area Project EIR/EIS (Section 3.0, Approach to the Environmental Analysis) describes the criteria that were used to determine the significance of environmental impacts. All mitigation measures identified in the Folsom Plan Area Project EIR/EIS were subsequently adopted by the City as conditions of project approval. All applicable measures also will apply to the modified Folsom Plan Area Project described in this addendum.

3.2 Environmental Review of Project Change

The proposed change to the Folsom Area Plan evaluated in this addendum includes a one-year transfer of up to 5,000 AF from a source dedicated to the Folsom Plan Area and water made available by Aerojet's use of remediated groundwater. The quantity and timing of water transferred would be coordinated with Reclamation and DWR for releases from Folsom Reservoir into the American River, and through the Sacramento River and the Delta, for diversion of the transferred water at DWR's Banks Pumping Plant and conveyance to the participating SWCs. As a result, the environmental analysis considers the potential impacts of each of three operational scenarios by which the transfer could be implemented. Because the proposed transfer would be a one-year transfer limited to 5,000 AF, for the participating SWCs, the transfer only would backfill dry-year reductions in their standard water supplies for one year and would not be sufficiently reliable over any multi-year term to support new construction, development of land for either urban or agricultural uses or conversion of land to irrigated agriculture.

Addendum #1 (approved in December 2012) to the Folsom Plan Area Project EIR/EIS evaluated the water supply to meet the demand of the Folsom Area Plan Project that included an exchange of supplies with the City's East Area and consisted of a combination of pre-1914 water rights (up to 5,000 AFY) and yield resulting from the City's conservation activities for up to 5,600 AFY. Therefore, this addendum does not include a further evaluation of the source of the water for the proposed one-year transfer. Addendum #1 concluded that water supplies associated with conservation activities (leak fixes that are components of the City's Systems Optimization Water Project and implementation of metered rates water): (1) were consistent with CEQA's standards for categorical exemptions (Class 2 for leak fixes; Class 1 and 3 for metered rates); (2) would not result in any significant environmental impacts that were not analyzed in the Folsom Plan Area Project EIR/EIS; (3) would not result in a substantially more severe environmental impacts than were analyzed in the Folsom Plan Area Project EIR/EIS; and (4) would involve no new information of substantial importance concerning environmental impacts. Therefore, the source of the water for the one-year transfer attributed to conservation is not further evaluated in this addendum.

In addition, the proposed one-year transfer of 5,000 AF would not change the source or amount of water needed to meet the demand of the approved Folsom Plan Area Project evaluated in the Folsom Plan Area Project EIR/EIS, as amended. Furthermore, the City's inclusion of some or all of the Aerojet water in the proposed transfer would not result in any portion of the Aerojet water being included in the Folsom Plan Area's water supply. Therefore, impacts associated with meeting the water demand at buildout of the Folsom Plan Area are not further evaluated in this addendum.

This addendum does evaluate potential impacts associated with the one-year transfer of up to 5,000 AF to participating SWCs for use in their service areas, as well as water made available by Aerojet's use of remediated groundwater, compared to the environmental impact analysis contained in the Folsom Plan Area Project EIR/EIS, as amended. Because the quantity and timing of water transferred would be determined in coordination with Reclamation and DWR, the environmental analysis considers the potential impacts of each of three operational scenarios through which the transfer could occur as presented in Table 1.

Table 1 includes: (1) a discussion of summary of the impact discussion contained in the Folsom Plan Area Project EIR/EIS for each resource area; (2) list of mitigation measures adopted for the Folsom Plan Area Project EIR/EIS; and (3) discussion of environmental impacts, if any, associated with the proposed transfer and its relationship to the analysis contained in the Folsom Plan Area Project EIR/EIS for each resource area. Specifically, the information presented in Table 1 answers the following questions:

- **Where Impact(s) were analyzed in the EIR/EIS** - where in the Folsom Plan Area Project EIR/EIS impacts for each resource topic were discussed.
- **EIR/EIS Impact Conclusions.** impact conclusion for each resource topic:
 - NI – no impact
 - LTS – less than significant impact

- LSM – less than significant with mitigation measures incorporated
- SU – significant and unavoidable
- Would the proposed modifications involve any new significant or substantially more severe impacts?
- Are there any new circumstances involving new significant impacts or substantially more severe impacts?
- Is there any new information requiring new analysis or verification?
- Are prior mitigation measures sufficient for addressing any new potential changes or impacts?

TABLE 1 ENVIRONMENTAL REVIEW						
<i>Environmental Issue Area</i>	<i>Where Impact(s) were Analyzed in Prior Environmental Documents</i>	<i>What were the Environmental Impact conclusions for the Proposed Water Facilities?</i>	<i>Do Proposed Changes Involve New Significant or Substantially More Severe Impacts?</i>	<i>Any New Circumstances Involving New Significant Impacts or Substantially More Severe Impacts?</i>	<i>Any New Information Requiring New Analysis or Verification?</i>	<i>Are Prior Mitigation Measures Sufficient for Addressing Any New Potential Changes or Impacts?</i>
Aesthetics/Visual	EIR/EIS Pages 3B.1 through 1-24	LSM	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.1 Aesthetics-Water, concluded that impacts to aesthetic resources and light and glare associated with the construction and operation of the Proposed Off-site Water Facility Alternative could be significant but would be reduced to less than significant levels with incorporation of mitigation measures. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: Implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC's service area that would receive the transfer water. As a result, implementation of the proposed transfer would not result in a short-term or permanent change in visual character or in new sources of light or glare.</p> <p>Release of water from Folsom Reservoir under the proposed transfer would result in a short-term increase in flow in the American River. As presented in Attachment A: City of Folsom Water Transfer, Water Operations Analysis Technical Memorandum, depending on the scenario, these increases would range from 25 cfs (approximately 1,500 AF) per month July 1 through October 8; to 80 cfs (up to 5,000 AF) in either August or September. As presented in Attachment A, flow rates in the lower American River are forecasted by Reclamation (May 26, 2020 CVP Water Supply Update) to be 3,385 cfs (approximately 208,000 AF) in July; 3,276 cfs (approximately 201,000 AF) in August; 1,776 cfs (approximately 106,000 AF) in September; and 1,276 cfs (78,000 AF) in October for the 90% exceedance³. Based on Reclamation's forecast, the proposed transfer would result in a less than 1% increase to 2% increase in lower American River flows (releasing 25 cfs per month), using Reclamation's 90% exceedance forecast. The release of 80 cfs in August or September would result in a one-time increase in flows of approximately, 2.4% and 4.5%, respectively, using Reclamation's 90% exceedance forecast. To the extent the American River flows in the July-October period actually would be higher if hydrology ultimately were closer to prior 50% exceedance forecasts by Reclamation, the effects of the transfer on American River flows and other waterbodies would be even lower. Under all of the scenarios, the increase in flow would not represent a noticeable change in water levels; and therefore, would not result a noticeable change the visual character of the river.</p>						

³ There is an equal chance of actual hydrologic conditions being wetter or dryer than the 50% exceedance forecast. Actual hydrologic conditions have a 90% chance of being wetter than the 90% exceedance forecast with only a 10% chance of being dryer. Reclamation is required to use the 90% exceedance forecast when allocating water supply to CVP water service contractors. The proposed City of Folsom water transfer is analyzed using both the 50% and 90% exceedance forecasts to cover the range of possible effects.

**TABLE 1
ENVIRONMENTAL REVIEW**

<i>Environmental Issue Area</i>	<i>Where Impact(s) were Analyzed in Prior Environmental Documents</i>	<i>What were the Environmental Impact conclusions for the Proposed Water Facilities?</i>	<i>Do Proposed Changes Involve New Significant or Substantially More Severe Impacts?</i>	<i>Any New Circumstances Involving New Significant Impacts or Substantially More Severe Impacts?</i>	<i>Any New Information Requiring New Analysis or Verification?</i>	<i>Are Prior Mitigation Measures Sufficient for Addressing Any New Potential Changes or Impacts?</i>
<p>In addition to the proposed transfer, other water suppliers in the American River area are proposing additional 2020 water transfers. The City of Sacramento, Carmichael Water District, GSWC and Sacramento Suburban Water District are proposing a transfer that would involve up to 18,500 AF of water being made available from the American River for diversion by DWR at its Banks Pumping Plant. Attachments to the City of Sacramento’s and Carmichael Water District’s associated water-right petitions describe that transfer as involving streamflows increasing 70 cfs in the July-September period, and 40 cfs in the October-November period, below the City of Sacramento’s Fairbairn diversion facility. That facility is located just west and downstream of the Howe Avenue bridge. The increased flows would be made available through the transferring parties pumping groundwater in lieu of diverting water primarily at the Fairbairn diversion facility. According to the above-referenced water-right petition attachments, this other transfer would change streamflows only downstream of the Fairbairn facility. The Placer County Water Agency (PCWA) filed a water-right petition on May 22, 2020 that would involve the transfer of up to 20,000 AF (approximately 150 cfs), potentially between July and September, that would be released from Folsom Reservoir for diversion by DWR at the Banks Pumping Plant and/or by Reclamation at the Bill Jones (Jones) Pumping Plant. If the City of Folsom’s proposed transfer and the other American River agencies’ proposed transfers were to be implemented simultaneously, they would involve an increase in streamflows a maximum of 75 cfs (July) and 230 cfs (August/September) above the Fairbairn facility and 245 cfs (July) and 300 cfs (August/September) below Fairbairn during the proposed transfer period. Given the American River streamflows projected by Reclamation for that period, the combined effect of the transfers would be minor and would not noticeable aesthetically in river.</p> <p>The proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water, that would not be sufficiently reliable for multiple years to support long-term or permanent construction or land use changes in the SWCs’ service areas. The transfer, therefore, would not result in changes to agricultural or urban use in SWC service areas receiving the water that could change the existing visual character or result in new sources of light and glare.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Air Quality	EIR/EIS Pages 3B.2-1 through 2-16	SU	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.1 Air Quality – Water, concluded that construction of the Proposed Off-site Water Facility Alternative could result in temporary, but significant and unavoidable, impacts to air quality through the generation of criteria ozone precursors (e.g., nitrogen oxides (NOx)). Even after the application of mitigation, residual construction-related NOx emissions would be significant. Only minor quantities of criteria air pollutants would be generated during the operation of the Proposed Off-site Water Facility Alternative and; therefore, the residual impact would be less than significant with no mitigation required. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed above under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC’s service area that would receive the transfer water. Therefore, the operation of involved water facilities would be within the range of historical operations and there would be no construction or operational activities that could result in short-term or permanent increases in air emissions.</p> <p>As presented in Attachment A, the City’s proposed transfer would result in a maximum increase of pumping of approximately 80 cfs for a one-month period at DWR’s Banks Pumping Plant, which would result in a maximum increase in Banks’ exports of about 3,750 AF from approximately 55,000 AF to approximately 59,000 AF. As described above under Aesthetics/Visual, other water suppliers in the American River area are proposing additional 2020 water transfers that would involve up to 38,500 AF of water being made available from the American River for diversion by DWR at its Banks Pumping Plant and/or by Reclamation at its Jones Pumping Plant. If the City’s proposed transfer and the other American River agencies proposed transfers were to be implemented simultaneously, they would involve an increase in pumping at the Banks and/or Jones Pumping Plants. The increases in pumping are anticipated to be within the normal operations of both the Banks and Jones Pumping Plants because</p>						

TABLE 1 ENVIRONMENTAL REVIEW						
<i>Environmental Issue Area</i>	<i>Where Impact(s) were Analyzed in Prior Environmental Documents</i>	<i>What were the Environmental Impact conclusions for the Proposed Water Facilities?</i>	<i>Do Proposed Changes Involve New Significant or Substantially More Severe Impacts?</i>	<i>Any New Circumstances Involving New Significant Impacts or Substantially More Severe Impacts?</i>	<i>Any New Information Requiring New Analysis or Verification?</i>	<i>Are Prior Mitigation Measures Sufficient for Addressing Any New Potential Changes or Impacts?</i>
<p>they are part of recurrent dry year transfer programs. Therefore, the increase would not be anticipated to result in a significant change in pumping and associated air emissions.</p> <p>As also discussed above in Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not result in changes to agricultural or urban use in SWC service areas receiving the water that would increase air emissions over current conditions.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Biological Resources	EIR/EIS Pages 3B.3-1 through 3-62	SU	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.3 Biological Resources-Water, concluded that implementation of the Proposed Off-site Water Facility Alternative would result in significant impacts to biological resources including plant, and wildlife resources, either directly or through the loss or degradation of habitat. Significant impact would be reduced to less than significant levels with incorporation of mitigation measures. The EIR/EIS also concluded that construction and operation of the Off-site Water Facility Alternatives would have the potential to interfere substantially with the movement of native resident or migratory fish. This impact was determined to be less than significant because construction activities would be temporary and would not result in any permanent barriers to the movement of native resident or migratory fish. In addition, the EIR/EIS concluded that assignment of water from NCMWC to the City would result in slight, permanent increases in river flows (see Chapter 3B.9.3) within a section of the Sacramento River, north of Freeport. In considering the combination of a change in delivery schedule, addition of a new point of diversion, and quantity of water diverted, the Off-site Water Facilities could realize benefits in terms of increased flows within the Sacramento River when compared to existing conditions, and therefore, could realize added minor benefits to fisheries. The EIR/EIS also concluded operation of the Off-site Water Facility Alternatives would not result in any substantial changes in flows that could contribute to a reduction in fish populations or the quality or quantity of aquatic habitat within the Sacramento River system, including the Delta, for any special-status wildlife and fishery species and the direct and indirect impacts are considered less than significant. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed above under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC's service area that would receive the transfer water. As a result, it would not include any activities that could result in short-term or permanent disturbance or loss of plant or wildlife species or habitats. In addition, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not result in changes to agricultural or urban use in SWC service areas receiving the water that could result in a short-term or permanent disturbance or loss of plant or wildlife species or habitats.</p> <p>As described in more detail in Attachment A and above under Aesthetics/Visual, hydrologic modeling results for the proposed water transfer show no significant changes in any of the hydrologic indicators measured (i.e., Folsom Reservoir storage, American River flow, Delta outflow, and Banks exports). Release of water from Folsom Reservoir under the proposed transfer would result in a short-term and minor increase in flow in the American River (i.e., less than 1% increase to 2% increase in lower American River flows releasing 25 cfs per month, and less than 2.4% and 4.5% increase in American River flows releasing 80 cfs in August or September, respectively), using Reclamation's 90% exceedance forecast.</p> <p>Based on a review of stage-discharge data relationships in the American River (USGS 11446500 American River at Fair Oaks, CA), these minor (very small) changes in flow would be indiscernible in terms of changes to habitat conditions (i.e., less than one-inch, or less than 2%, change in stage). Under all of the scenarios, the increase in flows would not represent a noticeable (or discernable) change in aquatic habitat suitability, based on flow-habitat relationships, for special-status fish, including anadromous salmonids (i.e., Steelhead and Chinook Salmon). Further, the transfers would occur during periods that are outside of peak occurrence for spawning and egg incubation (Hallock et al. 1961; McEwan 2001), which are sensitive life stages for these species.</p>						

TABLE 1 ENVIRONMENTAL REVIEW						
<i>Environmental Issue Area</i>	<i>Where Impact(s) were Analyzed in Prior Environmental Documents</i>	<i>What were the Environmental Impact conclusions for the Proposed Water Facilities?</i>	<i>Do Proposed Changes Involve New Significant or Substantially More Severe Impacts?</i>	<i>Any New Circumstances Involving New Significant Impacts or Substantially More Severe Impacts?</i>	<i>Any New Information Requiring New Analysis or Verification?</i>	<i>Are Prior Mitigation Measures Sufficient for Addressing Any New Potential Changes or Impacts?</i>
<p>As described in more detail above under Aesthetics/Visual, other water suppliers in the American River area are proposing additional 2020 water transfers that would involve up to 38,500 AF of water being made available from the American River for diversion by DWR at its Banks Pumping Plant and/or by Reclamation at its Jones Pumping Plant. The attachments to those water-right petitions describe that transfers as involving streamflows increasing 150 cfs above the City of Sacramento's Fairbairn diversion facility in the July- September period, and 220 cfs in the July-September period, and 40 cfs in the October-November period, below the Fairbairn diversion facility. As discussed above, If the City's proposed transfer and the other American River agencies' proposed transfers were to be implemented simultaneously, they would involve an increase in streamflows a maximum of 75 cfs (July) and 230 cfs (August/September) above the Fairbairn facility and 245 cfs (July) and 300 cfs (August/September) below Fairbairn during the proposed transfer period which would not represent a noticeable (or discernable) change given the American River streamflows projected by Reclamation for that period. Therefore, it would not result in a discernable change in aquatic habitat suitability, based on flow-habitat relationships, for special-status fish, including anadromous salmonids (i.e., Steelhead and Chinook Salmon). Further, the period during which the City's transfer is anticipated to be implemented generally would be outside of the period for spawning and egg incubation for salmon and steelhead in the American River.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Climate Change	EIR/EIS Pages 3B.4-1 through 4-10	SU	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.4 Climate Change – Water, concluded that implementation of the Proposed Off-site Water Facility Alternative would generate substantial greenhouse gas emissions (GHG) emissions. Even with the implementation of mitigation measures, GHG emissions would not be reduced to a less-than-significant level; and therefore, would remain significant and unavoidable. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed above under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC's service area that would receive the transfer water. Therefore, it would not include activities that could result in short-term or permanent increases in GHG emissions.</p> <p>As presented in Attachment A and discussed above under Air Quality, the proposed transfer would result in minor changes in pumping at DWR's Banks Pumping Plant and Reclamation's Jones Pumping Plants. As also described under Air Quality, other water suppliers in the American River area are proposing additional 2020 water transfers that would involve up to 38,500 AF of water being made available from the American River for diversion by DWR at its Banks Pumping Plant and/or by Reclamation at its Jones Pumping Plant. If the City's proposed transfer and the other American River agencies' proposed transfers were to be implemented simultaneously, they would involve an increase in pumping at the Banks and/or Jones Pumping Plants. The increases in pumping are anticipated to be within the normal operations of both the Banks and Jones Pumping Plants because they are part of recurrent dry year transfer programs. Therefore, the increase would not be anticipated to result in a change in energy required for pumping and associated GHG emissions.</p> <p>As also discussed above in Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not result in changes to agricultural or urban use in SWC service areas receiving the water that could result in a short-term or permanent increase in GHG emissions over current conditions.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Cultural Resources	EIR/EIS Pages 3B.5-1 through 5-10	SU	No	No	No	None Required
<p>EIR/EIS Discussion:</p>						

**TABLE 1
ENVIRONMENTAL REVIEW**

<i>Environmental Issue Area</i>	<i>Where Impact(s) were Analyzed in Prior Environmental Documents</i>	<i>What were the Environmental Impact conclusions for the Proposed Water Facilities?</i>	<i>Do Proposed Changes Involve New Significant or Substantially More Severe Impacts?</i>	<i>Any New Circumstances Involving New Significant Impacts or Substantially More Severe Impacts?</i>	<i>Any New Information Requiring New Analysis or Verification?</i>	<i>Are Prior Mitigation Measures Sufficient for Addressing Any New Potential Changes or Impacts?</i>
<p>Section 3B.5 Cultural Resources – Water, concluded that implementation of the Proposed Off-site Water Facility Alternative would have significant and unavoidable impacts on identified and previously undiscovered cultural resources. This is primarily due to the fact that some of the proposed facilities would fall under the jurisdiction of Sacramento County or the City of Rancho Cordova; therefore, neither the City nor the project applicant(s) would have control over the timing or implementation of mitigation measures for these improvements. Because the City does not control implementation of mitigation measures in areas under the jurisdiction of these other agencies, potential impacts to cultural resources were considered potentially significant and unavoidable for improvements which would be located in the jurisdiction of Sacramento County or the City of Rancho Cordova. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed above under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC’s service area that would receive the transfer water. Therefore, it would not include any ground disturbing activities that could result in the destruction or loss of cultural and or tribal cultural resources.</p> <p>As presented in Attachment A and discussed in more detail above under Aesthetics/Visual, depending on the scenario, the transfer would involve minor changes in American River flows. Under all of the scenarios for the transfer’s implementation, the increase in flow would not represent a noticeable change in water levels; and therefore, would not result in a substantial change in significance of tribal cultural resource. As also described in more detail above under Aesthetics/Visual, other water suppliers in the American River area are proposing additional 2020 water transfers that would involve up to 38,500 AF. If the City’s proposed transfer and the other American River agencies proposed transfers were to be implemented simultaneously, they would involve an increase in streamflows a maximum of 75 cfs (July) and 230 cfs (August/September) above the Fairbairn facility and 245 cfs (July) and 300 cfs (August/September) below Fairbairn during the proposed transfer period. Given the American River streamflows projected by Reclamation for that period, the combined effect of the transfers would be minor and would not represent a change in water levels in the river; and therefore, would not result in a substantial change in significance of tribal cultural resource.</p> <p>As also discussed above under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not result in changes to agricultural or urban use in SWC service areas receiving the water that would include ground disturbing activities that could result in the destruction or loss of cultural and or tribal cultural resources.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Environmental Justice	EIR/EIS Pages 3B.6-1 through 6-4	NI	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.6 Environmental Justice – Water, concluded that implementation of the Proposed Off-site Water Facility Alternative would not cause a disproportionately high and adverse impact on low-income or minority populations. Potential impacts to existing low-income and minority populations would be less than significant and; therefore, no residual significant impact would occur. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed above under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC’s service area that would receive the transfer water. Therefore, no new facilities would be constructed or operated that would result in an any incremental environmental justice impacts because it would not divide a community and would not affect any low-income or minority populations.</p>						

TABLE 1 ENVIRONMENTAL REVIEW						
<i>Environmental Issue Area</i>	<i>Where Impact(s) were Analyzed in Prior Environmental Documents</i>	<i>What were the Environmental Impact conclusions for the Proposed Water Facilities?</i>	<i>Do Proposed Changes Involve New Significant or Substantially More Severe Impacts?</i>	<i>Any New Circumstances Involving New Significant Impacts or Substantially More Severe Impacts?</i>	<i>Any New Information Requiring New Analysis or Verification?</i>	<i>Are Prior Mitigation Measures Sufficient for Addressing Any New Potential Changes or Impacts?</i>
<p>As also discussed above under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not result in changes to agricultural or urban use in SWC service areas receiving the water that could result in incremental environmental justice impacts associated with dividing a community or affect any low-income or minority population.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Geology, Soils, and Paleontological Resources	EIR/EIS Pages 3B.7-1 through 7-16	LTS/M	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.7 Geology, Soils, and Paleontological Resources – Water, concluded that impacts related to strong seismic ground shaking, construction-related erosion, soil hazards related to settlement and corrosion, and the potential for encountering previously undiscovered paleontological resources would be reduced to less than significant with identified mitigation measures; and therefore, the Proposed Off-site Water Facilities Alternative would not result in residual significant and unavoidable impacts related to geology, soils, or paleontological resources. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed above under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC’s service area that would receive the transfer water. Therefore, no new facilities would be built or occupied that could be subject to damage associated with seismic groundshaking or other geologic or soil hazards. Implementation of the proposed transfer would also not include any ground disturbing activities that could result in short-term increases in soil erosion or the destruction or loss of paleontological resources.</p> <p>As also discussed under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not result in changes to agricultural or urban use in SWC service areas receiving the water that would include the development of new structures that could be subject to damage associated with seismic groundshaking or other geologic or soil hazards; or result in ground disturbing activities that could result in short-term increases in soil erosion or the destruction or loss of paleontological resources.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Hazards and Hazardous Materials	EIR/EIS Pages 3B.8-1 through 8-24	LTS/M	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.8 Hazards and Hazardous Materials – Water, concluded that with implementation of mitigation measures the Proposed Off-site Water Facility Alternative would not result in any residual significant and unavoidable impacts related to risks of upset or accidental release of hazards and hazardous materials, or risk of wildfires during construction and impacts would be minimized to less than significant. The use of surface water from the Sacramento River for use as a potable water supply within the Folsom Plan Area would not create a public hazard and impacts resulting from the use of this supply are considered less than significant. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC’s service area that would receive the transfer water. Therefore, implementation of the proposed transfer would not include any construction activities that could result in the accidental release of hazardous materials or result in an increased risk of wildfire. Operation of the existing water supply conveyance and treatment facilities would not substantially change over current conditions so there would be no anticipated change in the use, transportation or disposal of hazardous materials.</p>						

TABLE 1 ENVIRONMENTAL REVIEW						
<i>Environmental Issue Area</i>	<i>Where Impact(s) were Analyzed in Prior Environmental Documents</i>	<i>What were the Environmental Impact conclusions for the Proposed Water Facilities?</i>	<i>Do Proposed Changes Involve New Significant or Substantially More Severe Impacts?</i>	<i>Any New Circumstances Involving New Significant Impacts or Substantially More Severe Impacts?</i>	<i>Any New Information Requiring New Analysis or Verification?</i>	<i>Are Prior Mitigation Measures Sufficient for Addressing Any New Potential Changes or Impacts?</i>
<p>In addition, as discussed under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not result in changes to agricultural or urban use in SWC service areas receiving the water, and there would be no anticipated change in the use, transportation or storage of hazardous materials over that which currently exists.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Hydrology and Water Quality	EIR/EIS Pages 3B.9-1 through 9-32	LTS/M	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.9 Hydrology and Water Quality – Water, concluded that with implementation of mitigation measures the Proposed Off-site Water Facility Alternative would not result in any residual significant and unavoidable impacts related to increased risk of flooding from stormwater runoff, from water quality effects from long-term urban runoff, or short-term alteration of drainages and associated surface water quality and sedimentation. Based on the hydrologic modeling conducted in support of the Folsom Plan Area Project EIR/EIS using CALSIM II, potential impacts to flows within the Sacramento River as a result of the operation of the Proposed Off-site Facility Alternative would be less than significant. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC’s service area that would receive the transfer water. Therefore, it would not include any new facilities that would result in increased impervious surfaces that would increase the rate or amount of surface run off that could adversely affect drainage system capacity or localized flooding. In addition, there would be no ground disturbing activities that could result in increased rates of erosion that would adversely affect receiving water quality.</p> <p>As presented in Attachment A and discussed in more detail under Aesthetics/Visual above, the transfer would involve minor changes in American River flows during a period that could encompass July 1 through early October. Under all of the described scenarios, the increase in flow would not represent a noticeable change in water levels that could reduce flood capacity of the American River levees. Furthermore, the transfer would occur in the summer/ early fall when flood risk is minimal. As also described in more detail above under Aesthetics/Visual, other water suppliers in the American River area are proposing additional 2020 water transfers that would involve up to 38,500 AF. If the City’s proposed transfer and the other American River agencies proposed transfers were to be implemented simultaneously, they would involve an increase in streamflows a maximum of 75 cfs (July) and 230 cfs (August/September) above the Fairbairn facility and 245 cfs (July) and 300 cfs (August/September) below Fairbairn during the proposed transfer period. Therefore, because both transfers would occur during the summer/early fall months outside of the flood season, the combined transfers would not be anticipated to increase flood risk.</p> <p>As also discussed under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not result in changes to agricultural or urban use in SWC service areas receiving the water. Therefore, the proposed transfer would not include any new facilities that would result in increased impervious surfaces that would increase the rate or amount of surface run off that could adversely affect drainage system capacity or localized flooding. In addition, there would be no ground disturbing activities that could result in increased rates of erosion that would adversely affect receiving water quality.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Land Use and Agricultural Resources	EIR/EIS Pages 3B.10-1 through 10-22	SU	No	No	No	None Required
<p>EIR/EIS Discussion:</p>						

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<p>Section 3B.10 Land Use and Agricultural Resources – Water, concluded that implementation of the Proposed Off-site Water Facility Alternative would not result in the conversion of Important Farmland; and activities associated with construction and operation would generally be consistent with applicable federal, State, regional and local plans and policies. However, impacts related to the cancellation of existing on-site Williamson Act contracts to accommodate the water treatment facility would be significant and unavoidable and no feasible mitigation measures are available to reduce this impact to a less-than-significant level. In addition, the Proposed Off-site Water Facility Alternative could conflict with existing off-site Williamson Act contracts or result in the cancellation of such contracts on lands south of the project site and no feasible mitigation measures are available to reduce this impact to a less-than-significant level. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC’s service area that would receive the transfer water. Therefore, there would be no associated change in land use or conversion of agricultural use.</p> <p>As also discussed under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not result in changes to agricultural or urban use in SWC service areas receiving the water that could result in the permanent conversion of agricultural land.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Mineral Resources	EIR/EIS Page 3-8	NI	No	No	No	None Required
<p>EIR/EIS Discussion: The mineral resources analysis in the Folsom Plan Area EIR/EIS concluded that review of available Sacramento County mineral resources maps indicated that implementation of the Proposed Off-site Water Facility Alternative would not impede access to delineated mineral resources within the eastern portions of Sacramento County. Portions of the conveyance pipeline alternatives would travel in close proximity to several areas identified as containing mineral resources classified as Mineral Resource Zone (MRZ)-2. These alignments; however, would be confined to the existing road rights-of-way, so their location would not contribute to any increased losses in the availability of known mineral resources. Therefore, no impacts would occur and no mitigation is required. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed above under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC’s service area that would receive the transfer water. Therefore, no new facilities would be built that could interfere with access to delineated mineral resources.</p> <p>As also discussed under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not result in changes to agricultural or urban use in SWC service areas receiving the water that could interfere with access to delineated mineral resources.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Noise	EIR/EIS Pages 3B.11-1 through 11-18	SU	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.11 Noise – Water, concluded that even after implementation of all feasible mitigation measures, construction noise impacts would remain significant and unavoidable for the Proposed Off-site Water Facility Alternative. The operation of the pumps and generators for the Proposed Off-site Water Facility Alternative could occur within close proximity of sensitive receptors, thereby resulting in a permanent increase in noise levels. Although the City has identified a series of mitigation</p>						

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<p>measures to address potential long-term impacts to adjacent sensitive receptors, given uncertainties regarding the design of these facilities and their respective locations, the City is unable to confirm whether the mitigation imposed would be effective in reducing long-term noise to a less-than-significant level. Therefore, long-term, residual noise impacts would be significant and unavoidable. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC's service area that would receive the transfer water. Therefore, no new facilities would be constructed or operated that could expose sensitive receptors to short-term or permanent increases in noise levels.</p> <p>As also discussed under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not result in changes to agricultural or urban use in SWC service areas receiving the water. As a result, no new facilities would be constructed or occupied that could expose sensitive receptors to short-term or permanent increases in noise levels.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Parks and Recreation	EIR/EIS Pages 3B.12-1 through 12-5	LTS/M	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.12 Parks and Recreation – Water, concluded that because construction of the Proposed Off-site Water Facility Alternative would involve crossing the Folsom South Canal, it could temporarily disrupt the use of the canal's multi-use trail. With implementation of mitigation measures this impact would be reduced to less than significant because continued access would be provided. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC's service area that would receive the transfer water. Therefore, no new facilities would be constructed or operated that could interfere with recreational access.</p> <p>As also discussed under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not result in changes to agricultural or urban use in SWC service areas receiving the water. As a result, no new facilities would be constructed or operated that could interfere with recreational access.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Population, Employment, and Housing	EIR/EIS Page 3-8	NI	No	No	No	None Required
<p>EIR/EIS Discussion: The population, employment and housing analysis in the Folsom Plan Area EIR/EIS concluded that because no residential homes would be located on the proposed water treatment facility site, or within the Proposed Off-site Water Facility Alternative conveyance pipeline alignments analyzed in the EIR/EIS, the Proposed Off-site Water Facility Alternative would not displace existing housing or a substantial number of people necessitating the construction or replacement housing elsewhere. Those facilities would be generally constructed in roadway rights-of-way, and so would not affect planned housing units. As a result, Therefore, no impact would occur and no mitigation is required. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p>						

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<i>Environmental Issue Area</i>	<i>Where Impact(s) were Analyzed in Prior Environmental Documents</i>	<i>What were the Environmental Impact conclusions for the Proposed Water Facilities?</i>	<i>Do Proposed Changes Involve New Significant or Substantially More Severe Impacts?</i>	<i>Any New Circumstances Involving New Significant Impacts or Substantially More Severe Impacts?</i>	<i>Any New Information Requiring New Analysis or Verification?</i>	<i>Are Prior Mitigation Measures Sufficient for Addressing Any New Potential Changes or Impacts?</i>
<p>Project Change Discussion: As discussed under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC's service area that would receive the transfer water. Therefore, no new facilities would be constructed or operated that would generate an increase in population.</p> <p>As also discussed under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not be a reliable supply of water that would support changes to existing agricultural or urban use in SWC service areas receiving the water that could result in increased population growth in SWC service areas receiving the water.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Public Services	EIR/EIS Page 3-8	NI	No	No	No	None Required
<p>EIR/EIS Discussion: The public services analysis in the Folsom Plan Area EIR/EIS concluded that because the Proposed Off-site Water Facility Alternative would not directly generate new population it would not require any new public services. The proposed water facilities would allow the City to provide water service to new development with the Folsom Plan Area. New development within the Folsom Plan Area would be subject to the requirements of the Folsom Specific Plan, which identified performance standards and funding mechanisms to support the demand for the kinds of public services that would support new residents with the Folsom Plan Area, such as schools, parks, fire, police, or other public facilities. Therefore, no impact would occur and no mitigation is required. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed above under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC's service area that would receive the transfer water. Therefore, no new facilities would be constructed or operated that would generate an increase in population. As a result, there would be no need for new or expanded fire protection, police protection, schools, parks, or other public services.</p> <p>As also discussed under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not be a reliable supply of water that would support changes to existing agricultural or urban use in SWC service areas receiving the water. As a result, there would be no need for new or expanded fire protection, police protection, schools, parks, or other public services.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Traffic and Transportation	EIR/EIS Pages 3B.15-1 through 15-12	LTS/M	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.15 Traffic and Transportation – Water, concluded that construction of the Proposed Off-site Water Facility Alternative would result in potentially significant traffic impacts. Implementation of identified mitigation measures would reduce impacts to less than significant through proper construction sequencing, maintenance of two-way traffic, where possible, during construction and measures to avoid the creation of traffic hazards. Therefore, the Proposed Off-site Water Facilities Alternative would not result in residual significant and unavoidable impacts related to traffic and transportation. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion:</p>						

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<i>Environmental Issue Area</i>	<i>Where Impact(s) were Analyzed in Prior Environmental Documents</i>	<i>What were the Environmental Impact conclusions for the Proposed Water Facilities?</i>	<i>Do Proposed Changes Involve New Significant or Substantially More Severe Impacts?</i>	<i>Any New Circumstances Involving New Significant Impacts or Substantially More Severe Impacts?</i>	<i>Any New Information Requiring New Analysis or Verification?</i>	<i>Are Prior Mitigation Measures Sufficient for Addressing Any New Potential Changes or Impacts?</i>
<p>As discussed under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC's service area that would receive the transfer water. Therefore, no new facilities would be constructed or operated, there would be no construction activities that could result in short-term increases in traffic or the creation of traffic hazards or permanent increase in traffic levels.</p> <p>As also discussed under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not be a reliable supply of water that would support changes to existing agricultural or urban use in SWC service areas receiving the water and would result in increases in traffic levels or the creation of traffic hazards.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Utilities and Service Systems	EIR/EIS Pages 3B.16-1 through 16-11	LTS/M	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.16 Utilities and Service Systems – Water, concluded that construction of the Proposed Off-site Water Facility Alternative would involve activities that could directly impact existing utility services; however, with implementation of mitigation measures, impacts would be reduced to less than significant through proper notification and coordination. Operational impacts would be minimized and addressed through interagency MOUs and; therefore, are not expected to result in any residual significant unavoidable impacts to public and private utility and service systems. Construction and operation of the Proposed Off-site Water Facility Alternative would be conditioned to be as energy efficient as feasible and would be required to maximize recycling opportunities to minimize the quantity of solid waste transported to existing landfills. Therefore, the Proposed Off-site Water Facilities Alternative would not result in residual significant and unavoidable impacts related to energy use. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC's service area that would receive the transfer water. Water would be transferred through existing facilities. No new or expanded urban development would be constructed and there would be no increase in population. As a result, there would be no need for new or expanded water, wastewater, drainage, electrical, natural gas or telecommunication facilities or solid waste services.</p> <p>As presented in Attachment A and discussed under Air Quality, the proposed transfer would result in a minor increase in pumping at DWR's Banks Pumping Plant. This increase would not be anticipated to result in a change in energy required for pumping.</p> <p>As also discussed under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not be a reliable supply of water that would support changes to existing agricultural or urban use in SWC service areas receiving the water. As a result, there would be no need for new or expanded water, wastewater, drainage, electrical, natural gas or telecommunication facilities or solid waste services.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Groundwater	EIR/EIS Pages 3B.17-1 through 17-14	LTS/M	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.17 Groundwater – Water, concluded that operation of the Proposed Off-site Water Facility Alternative would not result in residual, project-specific significant and unavoidable impacts to the quality and quantity of local and regional groundwater resources. With implementation of dewatering mitigation measures, construction-related impacts to shallow groundwater would be reduced to less than significant through the proper control, treatment, and containment of pumped</p>						

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<p>groundwater prior to off-site discharge. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC's service area that would receive the transfer water. Therefore, there would be no construction that would create new impervious surfaces that could interfere with groundwater recharge or require dewatering. Furthermore, there would be no new or expanded urban development and no increase in population, and as a result, there would be no increase in groundwater use.</p> <p>There would be no change in groundwater pumping to accommodate the proposed transfer due to the use of remediated groundwater from the contaminated Aerojet site. Beginning in the late 1980s state and federal regulatory agencies imposed obligations on Aerojet to address groundwater contamination on its property that including pumping and treating the groundwater. In 2015, under a 2007 contract, Aerojet began dedicating to the City previously contaminated groundwater Aerojet had remediated and treated at its GET AB facility, with the City routing that water to Aerojet for its non-potable industrial use in lieu of the City's raw water from Folsom Reservoir. Since the middle of 2016, the City has not delivered any raw water to Aerojet.</p> <p>As also discussed under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not be a reliable supply of water that would support changes to existing agricultural or urban use in SWC service areas receiving the water. As a result, there would be no change in groundwater use over that which currently exists.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						
Water Supply	EIR/EIS Pages 3B.18-1 through 18-54	LTS/M	No	No	No	None Required
<p>EIR/EIS Discussion: Section 3B.18 Water Supply, concluded that implementation of the Off-site Water Facility Alternative is necessary to serve the water demand of the Folsom Plan Area Project, and without mitigation Folsom Plan Area demand for water would be a direct, potentially significant impact. Mitigation measures would reduce impacts associated with increased demand for potable water supply and conveyance and treatment facilities to a less-than-significant level by ensuring the provision of adequate water supplies and construction of sufficient conveyance and treatment capacity in advance of approval of individual development applications with the Folsom Plan Area. This conclusion is supported by the fact that the Folsom Plan Area project includes a water supply that, when implemented, would be sufficient to satisfy the water demand of the proposed development. Therefore, no residual significant impacts would occur. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: As discussed above under Aesthetics/Visual, implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC's service area that would receive the transfer water. No new or expanded urban development would be constructed and there would be no increase in population. As a result, there would be no change in water supply demand.</p> <p>As also discussed under Aesthetics/Visual, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not be a reliable supply of water that would support changes to existing agricultural or urban use in SWC service areas receiving the water. As a result, there would be no need for new or expanded water supplies.</p> <p>Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						

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Environmental Issue Area	Where Impact(s) were Analyzed in Prior Environmental Documents	What were the Environmental Impact conclusions for the Proposed Water Facilities?	Do Proposed Changes Involve New Significant or Substantially More Severe Impacts?	Any New Circumstances Involving New Significant Impacts or Substantially More Severe Impacts?	Any New Information Requiring New Analysis or Verification?	Are Prior Mitigation Measures Sufficient for Addressing Any New Potential Changes or Impacts?
Cumulative Impacts	EIR/EIS Pages 4-1 through 4-88	SU	No	No	No	None Required
<p>EIR/EIS Discussion: As discussed in detail in Section 4.1 Cumulative Impacts, implementation of the Proposed Off-site Water Facility Alternative would result in the following direct and indirect cumulatively considerable incremental contributions to significant adverse cumulative impacts associated with aesthetics/visual resources, biological resources, climate change, cultural resources, noise, and traffic and transportation. Addendum #1 evaluated a change in water supply source for the Folsom Plan Area Project and concluded that it would have the same or less impacts as those identified in the Folsom Plan Area EIR/EIS.</p> <p>Project Change Discussion: Implementation of the proposed transfer would not result in the construction or operation of new water supply conveyance, diversion or treatment facilities in either the Folsom Plan Area or any SWC's service area that would receive the transfer water. No new or expanded urban development would be constructed and there would be no ground disturbing activities that could result in the destruction or loss of biological, cultural and or tribal cultural resources. There would also be no change in air emissions, noise levels GHG emissions or traffic associated with increased population. In addition, the proposed transfer would be a temporary one year transfer to offset shortages due to a reduced allocation of SWP water. It would not be a reliable supply of water that would support changes to existing agricultural or urban use in SWC service areas receiving the water. As a result, there would be no ground disturbing activities that could result in the destruction or loss of biological, cultural and or tribal cultural resources. There would also be no change in air emissions, noise levels GHG emissions or traffic associated with increased population. Therefore, implementation of the proposed transfer would not result in any new significant impacts or substantially more severe cumulative impacts than those described in the Folsom Plan Area Project EIR/EIS, as amended.</p>						

3.3 Conclusion

As presented in Table 1, this addendum documents that the proposed one-year transfer of up to 5,000 AF would not result in any new or more severe impacts than those discussed in the Folsom Plan Area Project EIR/EIS, as amended, and as updated by this Addendum #2. None of the conditions or circumstances that would require preparation of a subsequent or supplemental EIR pursuant to Public Resources Code Section 21166 exists for the proposed project with these changes.

3.4 References

Hallock, R. J., W. F. Van Woert, and L. Shapovalov. 1961. *An Evaluation of Stocking Hatchery-Reared Steelhead Rainbow Trout (Salmo gairdnerii gairdnerii) in the Sacramento River System*. Fish Bulletin No. 114. Sacramento, CA: Department of Fish and Game.

McEwan, D. 2001. *Central Valley steelhead, In Contributions to the biology of Central Valley salmonids*, R. L. Brown, editor, CDFW, Sacramento, CA, Fish Bulletin, Vol. 179, pp. 1-44.

Attachment A
City of Folsom Water Transfer,
Water Operations Analysis
Technical Memorandum





Water Resources ♦ Flood Control ♦ Water Rights

TECHNICAL MEMORANDUM

DATE: May 28, 2020
TO: Cathy McEfee, ESA
PREPARED BY: Walter Bourez
SUBJECT: City of Folsom Water Transfer Water Operations Analysis

The purpose of this Technical Memorandum (TM) is to describe potential changes in CVP and SWP operations due to the proposed City of Folsom water transfer of 5,000 acre-feet (AF) in 2020. Changes in CVP and SWP operations are assessed by imposing the proposed transfer on forecasted CVP and SWP operations over the possible transfer period of July 2020 through November 2020. The exact timing of when the transfer water will be conveyed from the City of Folsom to a buyer south of the Delta and potential change in Folsom operations is not fully defined, therefore the range of possibilities has been analyzed.

Preliminarily, the City's water conservation measures, including leak and loss detection involved in its Systems Optimization Water Project, and its securing of Aerojet's agreement to substitute remediated groundwater to meet its non-potable industrial demands rather than the raw American River water that the City previously delivered to Aerojet have reduced the City's use of American River water by over 10,000 AF from a high of 31,285 AF in 2008 to 17,704 AF in 2019. The City's primary water supply is its 27,000 AF per year under its pre-1914 water rights, so the reduction in use from 2008 to 2019 occurred almost entirely under those water rights.

For analysis of the proposed water transfer, forecasted CVP and SWP operations that were provided by Reclamation CVO on April 21, 2020; the Reclamation forecast summaries are included in this TM in Figure 7 and Figure 8. Reclamation provided updated forecasts on May 26, 2020; therefore, analysis of the proposed transfer has been performed using these updated forecasts; these forecasts are included in Figure 9 and Figure 10. Reclamation produces a 50% and 90% exceedance forecast for their operations and updates them each month. There is an equal chance of actual hydrologic conditions being wetter or dryer than the 50% exceedance forecast. Actual hydrologic conditions have a 90% chance of being wetter than the 90% exceedance forecast with only a 10% chance of being dryer. Reclamation is required to use the 90% exceedance forecast when allocating water supply to CVP water service contractors. The proposed City of Folsom water transfer is analyzed using both the 50% and 90% exceedance forecasts to cover the range of possible effects.

In addition to using a range of possible hydrologic conditions for analyzing this transfer, various periods for when the water transfer may occur under each condition are also addressed. There are three transfer scenarios that have been evaluated using the 50% and 90% exceedance forecasts, therefore there are six modeled scenarios. For each of the three transfer scenarios evaluated, the incremental changes in flows and storage are the same in the respective 50% and 90% forecasted operation analysis. Alternatives are selected to analyze the range of possible times and rates that the transfer may occur so that all possible effects of the proposed transfer may be analyzed. Figure 1 through Figure 6 contain graphical summaries of flows and storage along with changes associated with each transfer scenario analyzed using the April 2020 operations forecasts. Figures 11 through 16 contain the same graphical summaries using the May 2020 forecasts. Both the April and May forecasts are used for this analysis to capture a broader range of potential effects. The forecasted water transfer scenarios analyzed are as follows:

1. Transfer of 25 CFS from July 1 through October 8
 - April 2020, 50% Exceedance Operations Forecast Summary
2. Transfer of 25 CFS from July 1 through October 8
 - April 2020, 90% Exceedance Operations Forecast Summary
3. 5,000 AF Transfer in August with April through September accumulation of Transfer Supply
 - April 2020, 50% Exceedance Operations Forecast Summary
4. 5,000 AF Transfer in August with April through September accumulation of Transfer Supply
 - April 2020, 90% Exceedance Operations Forecast Summary
5. 5,000 AF Transfer in September with April through September accumulation of Transfer Supply
 - April 2020, 50% Exceedance Operations Forecast Summary
6. 5,000 AF Transfer in September with April through September accumulation of Transfer Supply
 - April 2020, 90% Exceedance Operations Forecast Summary
11. Transfer of 25 CFS from July 1 through October 8
 - May 2020, 50% Exceedance Operations Forecast Summary
12. Transfer of 25 CFS from July 1 through October 8
 - May 2020, 90% Exceedance Operations Forecast Summary
13. 5,000 AF Transfer in August with April through September accumulation of Transfer Supply
 - May 2020, 50% Exceedance Operations Forecast Summary
14. 5,000 AF Transfer in August with April through September accumulation of Transfer Supply
 - May 2020, 90% Exceedance Operations Forecast Summary
15. 5,000 AF Transfer in September with April through September accumulation of Transfer Supply
 - May 2020, 50% Exceedance Operations Forecast Summary
16. 5,000 AF Transfer in September with April through September accumulation of Transfer Supply
 - May 2020, 90% Exceedance Operations Forecast Summary

Analyses are performed by extracting flow and storage data from the 50% and 90% exceedance forecasts for operational components that may change due to this transfer and then adjusting for the transfer. Transfer water made available by the City of Folsom is released from Folsom Dam and Nimbus Dam to the Lower American River, flows from the American River into the Sacramento River and then flows through the Delta. Transfer water will be exported at the SWP Banks Pumping Plant (PP) and a

portion will flow out of the Delta to the Bay. It is assumed that 25% of the water made available is required to flow out of the Delta to prevent salinity changes in the Delta, this “carriage water” is a typical requirement for water transfers. It is estimated that the 5,000 AF proposed transfer will result in 3,750 AF of increased pumping at Banks PP and Delta outflow will increase approximately 1,250 AF.

Components of the CVP that have been evaluated for changes under this transfer are:

- Folsom Lake storage
- Lower American River flow
- Sacramento River inflow to the Delta (changes are the same as Lower American River)
- Delta export at Banks PP
- Delta outflow

Transfer of 25 CFS from July 1 through October 8

This transfer scenario assumes that 25 cubic feet per second (cfs) of water is made available from July 1, 2020 through October 8, 2020, with a total amount of transfer water of 5,000 AF. Under this scenario, transfer water made available will be released from Folsom Lake and Nimbus Dam

Figure 1 and Figure 2 contain charts showing changes to operations under this scenario using the April forecasted operation and Figure 11 and Figure 12 show changes to the May forecasted operation. 25 cfs is a relatively small flow rate change for the lower American River and under both the 50% and 90% exceedance it is difficult to see differences in the line charts and next to impossible to detect differences in actual operations.

5,000 AF Transfer in August with April through September Accumulation of Transfer Supply

This transfer scenario assumes that water is made available to transfer from April through September and stored in Folsom Lake. The entire transfer amount of 5,000 AF is released from Folsom Lake during the month of August, this would increase average flow in the lower American River by about 80 cfs for the month. Under this scenario, transfer water made available increases Folsom storage approximately 3,400 TAF by the end of July.

Figure 3 and Figure 4 contain charts showing changes to operations under this scenario using the April forecasted operation and Figure 13 and Figure 14 show changes to the May forecasted operation. Flow increases in August may be seen in Figure 3 and Figure 4; however, this increase is relatively minor relative to the forecasted flow rate. Increases in Delta outflow are approximately 20 cfs in August under this scenario.

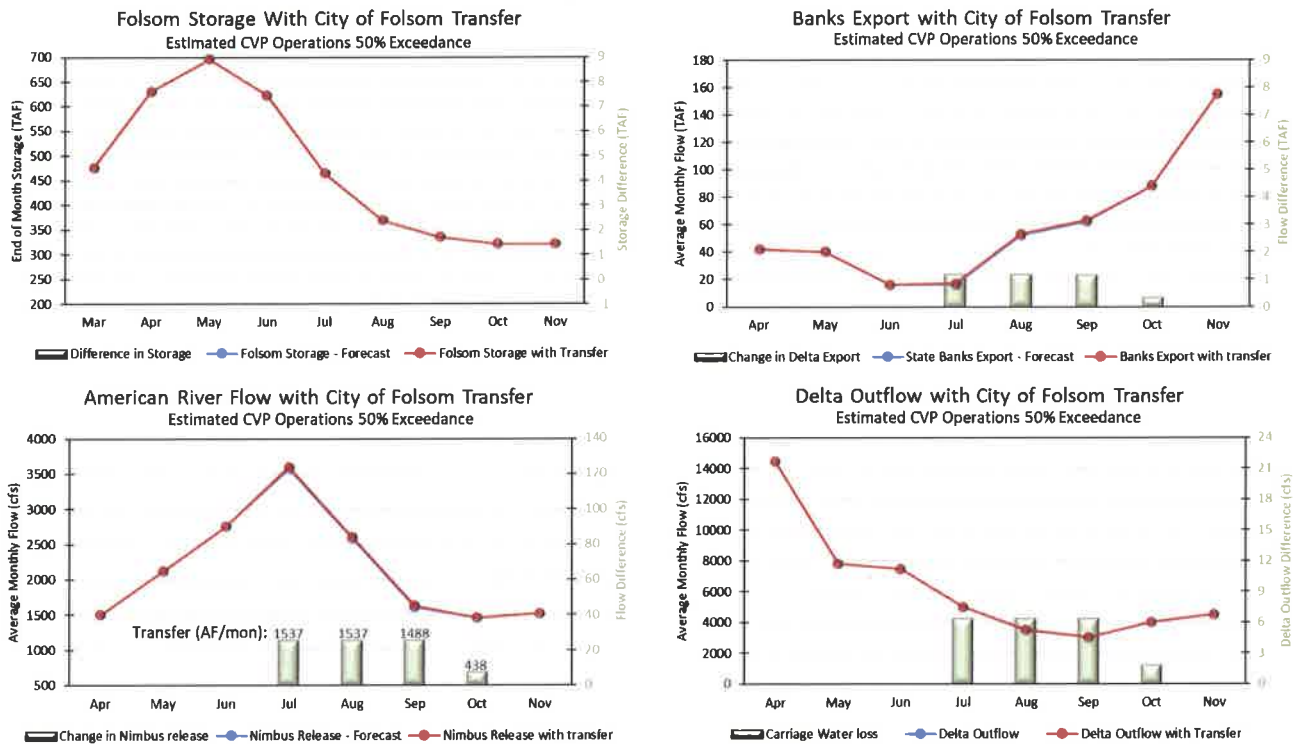
5,000 AF Transfer in September with April through September Accumulation of Transfer Supply

This transfer scenario assumes that water is made available to transfer from April through September and stored in Folsom Lake. The entire transfer amount of 5,000 AF is released from Folsom Lake during the month of September, this would increase average flow in the lower American River by about 80 cfs

for the month. Under this scenario, transfer water made available increases Folsom storage approximately 4,300 TAF by the end of August.

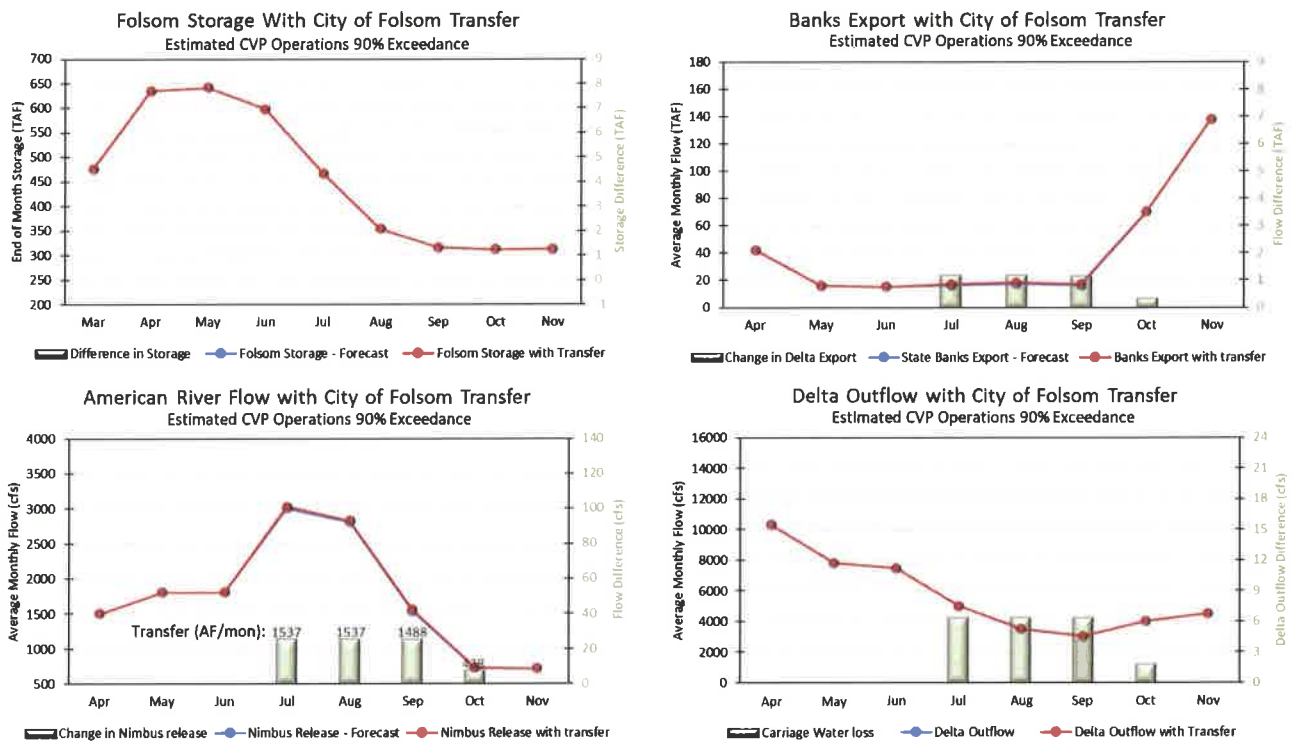
Figure 5 and Figure 6 contain charts showing changes to operations under this scenario using the April forecasted operation and Figure 15 and Figure 16 show changes to the May forecasted operation. Flow increases in September may be seen in Figure 5 and Figure 6; however, this increase is relatively minor relative to the forecasted flow rate. Increases in Delta outflow are approximately 20 cfs in September under this scenario.

Figure 1 - Transfer of 25 CFS from July 1 through October 8
 April 2020, 50% Exceedance Operations Forecast Summary



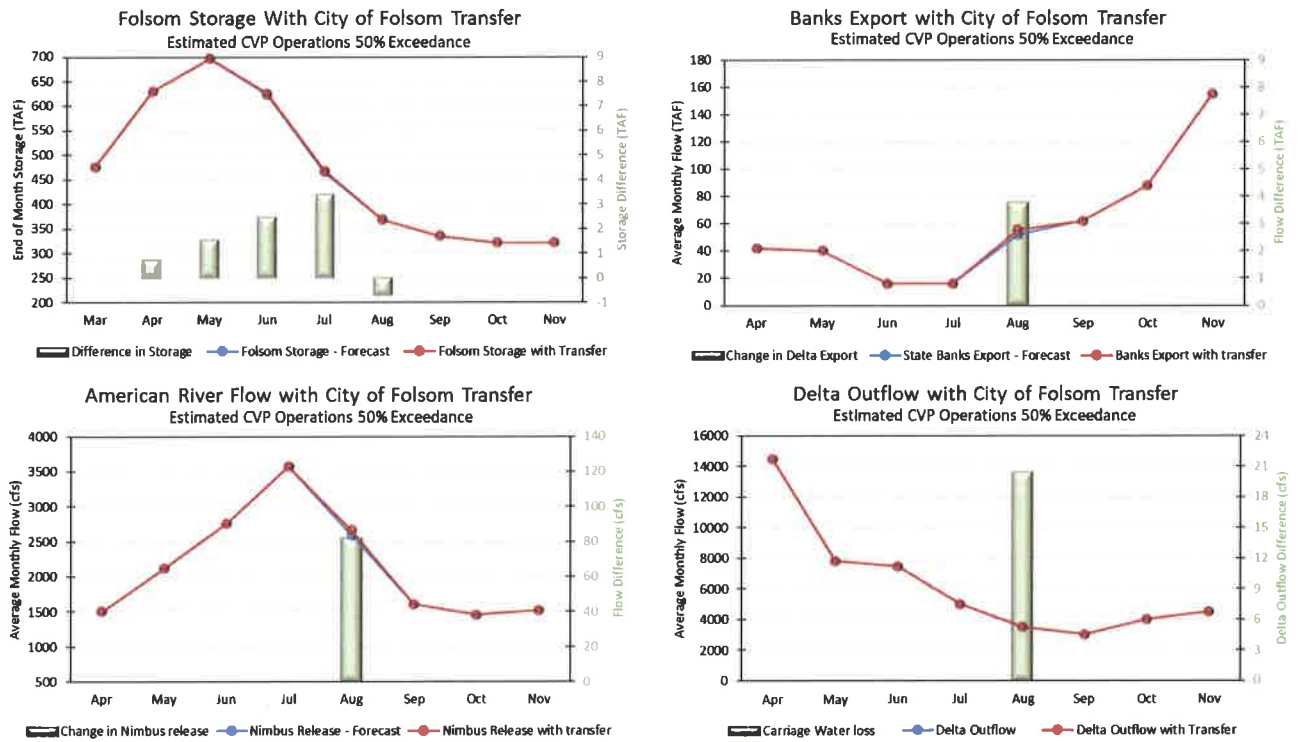
City of Folsom water transfer, water operations analysis

Figure 2 - Transfer of 25 CFS from July 1 through October 8 April 2020, 90% Exceedance Operations Forecast Summary



City of Folsom water transfer, water operations analysis

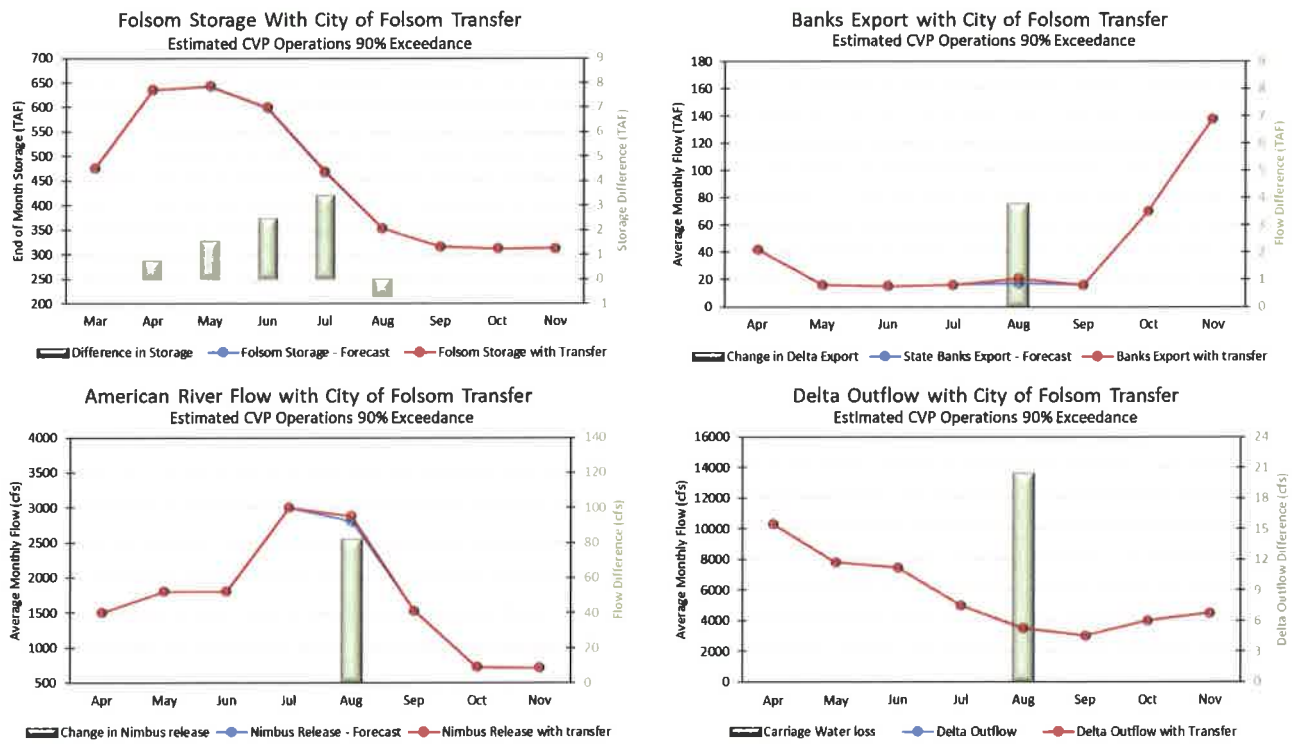
Figure 3 - 5,000 AF Transfer in August with April through September Accumulation of Transfer Supply
 April 2020, 50% Exceedance Operations Forecast Summary



City of Folsom water transfer, water operations analysis

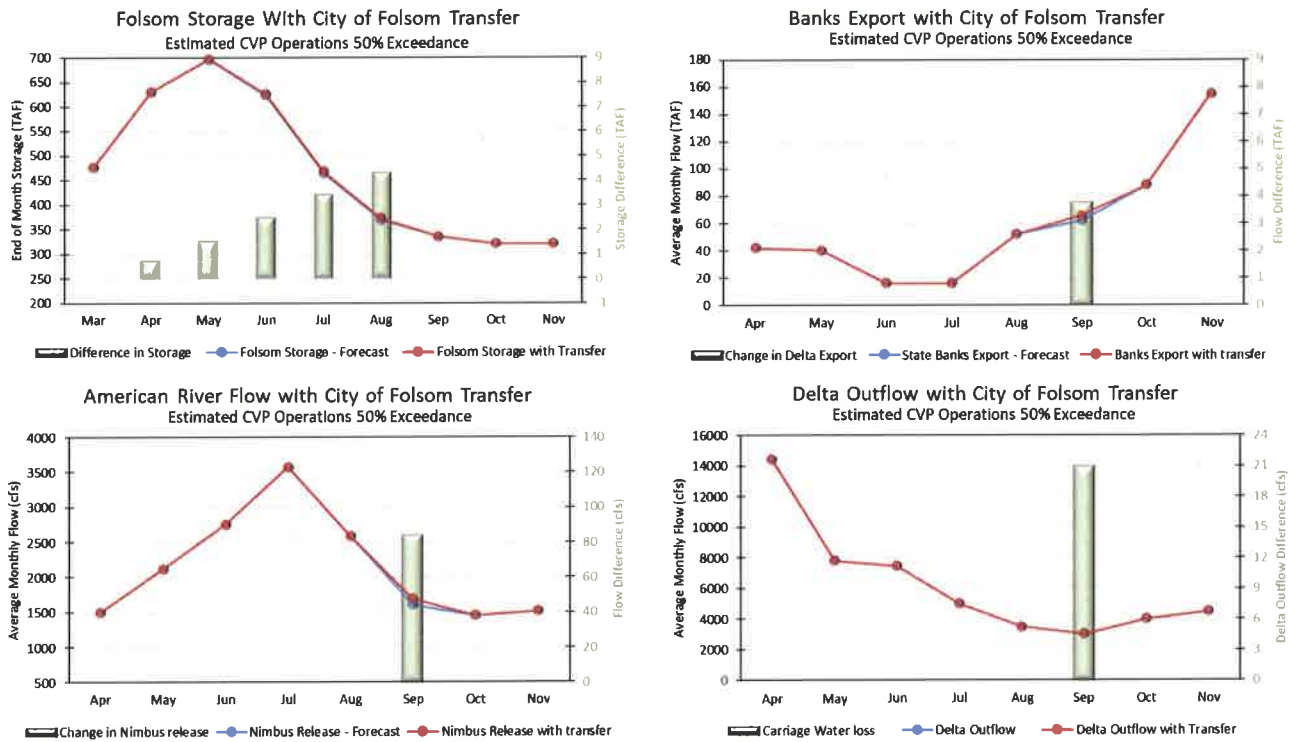
2

Figure 4 - 5,000 AF Transfer in August with April through September Accumulation of Transfer Supply
 April 2020, 90% Exceedance Operations Forecast Summary



City of Folsom water transfer, water operations analysis

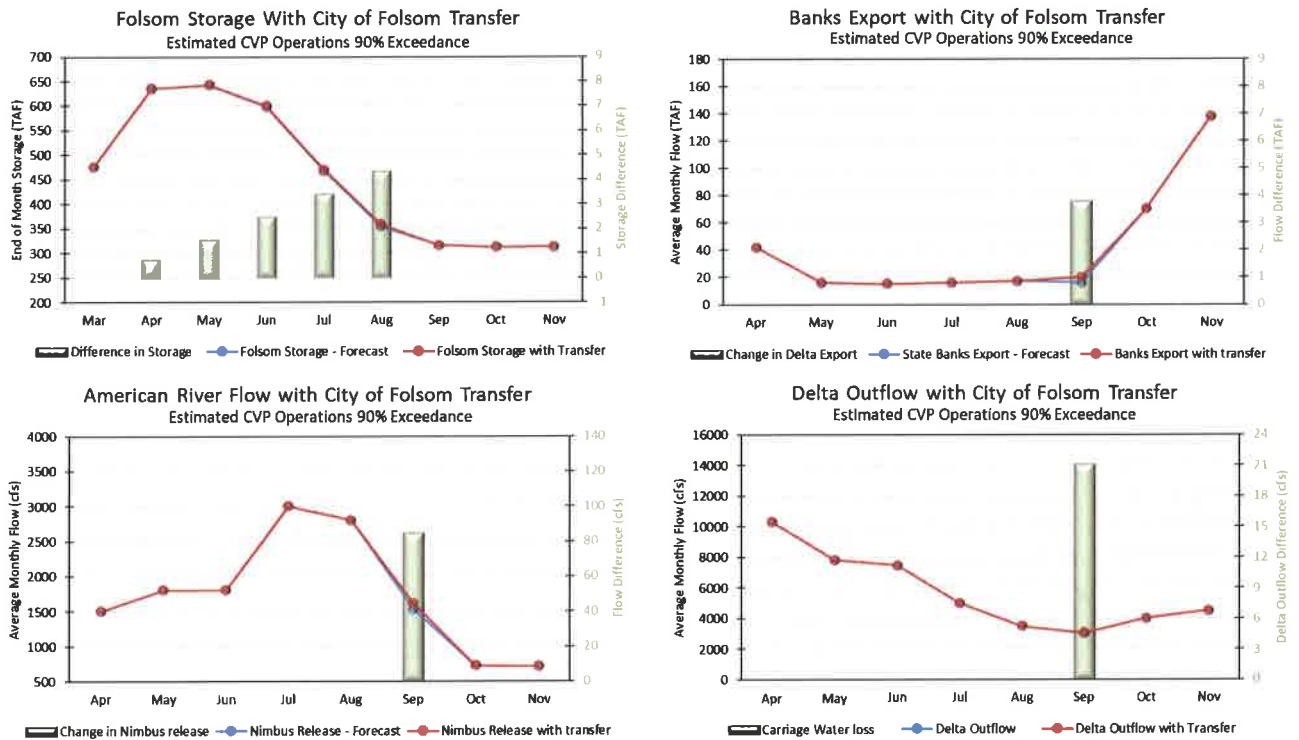
Figure 5 - 5,000 AF Transfer in September with April through September Accumulation of Transfer Supply
 April 2020, 50% Exceedance Operations Forecast Summary



City of Folsom water transfer, water operations analysis

2

Figure 6 - 5,000 AF Transfer in September with April through September Accumulation of Transfer Supply
 April 2020, 90% Exceedance Operations Forecast Summary



City of Folsom water transfer, water operations analysis

Figure 7 - Reclamation – April 2020, 90% Exceedance Operations Forecast Summary

Estimated CVP Operations 80% Exceedance
100% WR/Refuge, 15% Ag 65% M-I

Storages

Federal End of the Month Storage/Elevation (TAF/Feet)

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Trinity		1975	1931	1835	1710	1584	1429	1275	1234	1198	1180	1178	1208	1216
	Elev.	2336	2329	2320	2310	2297	2283	2279	2276	2274	2274	2274	2277	2278
Winnerytown		211	238	238	238	238	238	238	206	206	206	206	206	206
	Elev.	1209	1209	1209	1209	1209	1209	1199	1199	1199	1199	1199	1199	1199
Shasta		3600	3674	3483	3025	2489	2110	1944	1846	1870	1926	2038	2231	2592
	Elev.	1035	1028	1009	984	964	954	948	950	953	953	953	970	989
Folsom		476	635	642	598	467	354	316	312	313	324	340	372	463
	Elev.	432	433	428	412	396	390	389	389	391	394	399	412	412
New Melones		1892	1844	1791	1707	1621	1551	1509	1472	1474	1481	1481	1481	1479
	Elev.	1038	1033	1024	1016	1009	1004	1000	1000	1001	1001	1001	1001	1001
San Luis		344	349	235	90	45	64	145	215	219	305	511	489	440
	Elev.	479	464	439	422	418	427	439	453	478	504	492	481	481
Total		8672	8224	7368	6444	5746	5427	5284	5279	5418	5753	5984	6396	

State End of the Month Reservoir Storage (TAF)

Oroville	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
San Luis													
Total San Luis (TAF)	1319	1271	1113	888	710	677	756	804	899	1287	1558	1418	1291

Monthly River Releases (TAF/cfs)

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Trinity	TAF	36	92	47	28	53	52	23	18	18	18	17	18
	cfs	600	1,408	783	450	857	870	373	300	300	300	300	300
Clear Creek	TAF	12	16	12	9	9	9	12	12	12	12	11	17
	cfs	200	265	200	150	150	150	200	200	200	200	200	275
Sacramento	TAF	416	523	714	768	599	367	338	223	215	215	194	215
	cfs	7000	8500	12000	12500	9750	6500	5500	3750	3500	3500	3500	3500
American	TAF	89	111	107	164	172	91	44	42	44	49	73	83
	cfs	1500	1800	1800	3000	2801	1528	723	710	715	800	1310	1357
Stanislaus	TAF	37	15	9	9	9	9	35	12	12	13	12	12
	cfs	620	245	150	150	150	150	577	200	200	213	214	200
Feather													

Trinity Diversions (TAF)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Carr PP	114	100	100	100	101	100	24	30	21	15	10	57
Spring Crk. PP	90	99	99	99	99	99	43	20	12	10	10	60

Delta Summary (TAF)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Tracy	115	66	110	231	260	255	196	58	120	240	45	50	
USBR Banks	0	0	0	4	4	4	0	0	0	0	0	0	
Contra Costa	3.8	4.2	5.1	5.6	5.5	4.2	4.2	3.8	3.8	3.8	3.0	3.4	
Total USBR	119	70	115	241	270	263	200	62	124	244	48	53	
State Export													
Total Export	163	114	150	282	345	337	300	219	321	404	74	103	
COA Balance	11	11	9	0	0	18	0	0	0	0	-25	-80	
Vernalis	TAF	115	95	40	42	37	43	104	83	83	92	82	82
Vernalis	cfs	1927	1552	671	687	695	722	1700	1393	1355	1498	1475	1339
Old/Middle River Std.													
Old/Middle R. calc.	-1.826	-1.322	-2.231	-3.808	-4.633	-4.630	-3.586	-2.795	-3.999	-4.974	-952	-1.282	
Computed DOI	10304	7808	7447	4994	3497	3009	4002	4505	4506	6458	11400	11403	
Excess Outflow	2505	0	0	0	0	0	0	0	0	1952	0	0	
% Export/Inflow	19%	16%	19%	33%	43%	50%	47%	41%	54%	54%	11%	13%	
% Export/Inflow std.	35%	35%	35%	65%	65%	65%	65%	65%	65%	65%	45%	35%	

Hydrology

Water Year Inflow (TAF)	Trinity	Shasta	Folsom	New Melones
Year to Date + Forecasted	490	3,165	1,321	589
% of mean	41%	57%	48%	58%

CVP actual operations do not follow any forecasted operation or outlook; actual operations are based on real-time conditions.
CVP operational forecasts or outlooks represent general system-wide dynamics and do not necessarily address specific watershed/tributary details.
CVP releases or export values represent monthly averages.
CVP Operations are updated monthly as new hydrology information is made available December through May.

Figure 8 - Reclamation – April 2020, 50% Exceedance Operations Forecast Summary

Estimated CVP Operations 50% Exceedance

Storages

Federal End of the Month Storage/Elevation (TAF/Feet)

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Trinity	1975	1963	1878	1756	1651	1476	1324	1289	1276	1306	1361	1472	1598
	Elev	2338	2332	2323	2314	2301	2288	2285	2283	2286	2291	2301	2311
Whiskeytown	211	238	238	238	238	238	238	206	206	206	206	206	206
	Elev	1209	1209	1209	1209	1209	1209	1199	1199	1199	1199	1199	1199
Shasta	3600	3674	3578	3169	2888	2364	2231	2172	2252	2427	2818	3358	3898
	Elev	1035	1032	1015	993	977	970	967	971	981	1000	1023	1044
Folsom	476	630	696	623	465	369	335	321	321	341	400	537	724
	Elev	432	439	431	412	398	393	391	391	394	403	421	442
New Melones	1892	1854	1839	1790	1712	1646	1607	1580	1597	1620	1654	1708	1767
	Elev	1039	1037	1033	1025	1018	1014	1012	1013	1016	1019	1025	1030
San Luis	344	326	184	82	31	25	97	229	371	587	805	930	967
	Elev	473	456	434	415	406	412	439	471	509	530	540	543
Total		8685	8411	7659	6765	6118	5832	5797	6022	6487	7244	8210	9158

State End of the Month Reservoir Storage (TAF)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Oroville													
San Luis													
Total San Luis (TAF)	1319	1224	1031	819	649	570	620	663	1184	1618	1867	1992	2028

Monthly River Releases (TAF/cfs)

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Trinity	TAF	36	92	47	28	53	52	33	18	18	18	17	18
	cfs	600	1,498	783	450	857	870	373	300	300	300	300	300
Clear Creek	TAF	12	23	9	9	9	9	12	12	12	25	11	12
	cfs	200	380	150	150	150	150	200	200	200	400	200	200
Sacramento	TAF	416	523	714	744	576	387	338	238	215	215	222	295
	cfs	7000	8500	12000	12100	9350	6500	5500	4000	3500	3500	4000	4800
American	TAF	89	130	164	220	159	95	89	90	92	92	125	123
	cfs	1500	2113	2750	3573	2583	1605	1451	1518	1500	1500	2250	2000
Stanislaus	TAF	37	15	9	9	9	9	36	12	12	13	12	12
	cfs	622	245	150	150	150	150	577	200	200	213	214	200
Feather													

Trinity Diversions (TAF)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Carr PP	105	99	93	99	100	99	23	26	9	10	2	5
Spring Crk. PP	90	90	90	90	90	90	45	20	12	19.8	35	30

Delta Summary (TAF)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Tracy	110	66	181	267	265	260	265	201	255	260	200	137	
USBR Banks	0	0	0	11	11	11	0	0	0	0	0	0	
Contra Costa	12.7	12.7	9.8	11.1	12.7	14.0	16.8	18.4	18.3	14.0	14.0	12.7	
Total USBR	128	79	191	289	289	285	282	219	273	274	214	150	
State Export													
Total Export	171	123	211	308	340	363	484	443	528	398	381	298	
COA Balance	11	12	17	17	17	20	20	0	0	0	0	0	
Vernalis	TAF	115	95	56	48	46	51	104	83	83	92	111	57
Vernalis	cfs	1929	1652	940	784	762	866	1700	1393	1365	1498	1997	932
Old/Middle River Std.													
Old/Middle R. calc.	cfs	-1,940	-1,428	-2,895	-4,096	-4,507	-4,903	-5,885	-5,702	-6,598	-4,901	-4,975	-3,900
Computed DOI		14423	7808	7447	4994	3497	3009	4002	4506	7418	14445	19811	20708
Excess Outflow		6623	0	0	0	0	0	0	2912	8443	8411	9305	
% Export/inflow		15%	16%	24%	34%	42%	51%	57%	57%	52%	31%	25%	18%
% Export/inflow std.		35%	35%	35%	65%	65%	65%	65%	65%	65%	65%	45%	35%

Hydrology

Water Year Inflow (TAF)	Trinity	Shasta	Folsom	New Melones
Year to Date + Forecasted	520	3,405	1,482	688
% of mean	43%	61%	54%	65%

CVP actual operations do not follow any forecasted operation or outlook; actual operations are based on real-time conditions.
 CVP operational forecasts or outlooks represent general system-wide dynamics and do not necessarily address specific watershed/tributary details.
 CVP releases or export values represent monthly averages.
 CVP Operations are updated monthly as new hydrology information is made available December through May.

Figure 9 - Reclamation – May 2020, 90% Exceedance Operations Forecast Summary

Estimated CVP Operations 90% Exceedance

Storages

Federal End of the Month Storage/Elevation (TAF/Feet)

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
Trinity	1921	1813	1678	1549	1392	1237	1198	1160	1142	1141	1188	1228	1285
Elev.	2328	2317	2307	2294	2280	2276	2272	2270	2270	2273	2279	2284	
Whiskeytown	239	238	238	238	238	238	206	206	206	206	206	238	
Elev.	1209	1209	1209	1209	1209	1199	1199	1199	1199	1199	1199	1209	
Shasta	3687	3504	3024	2473	2079	1903	1805	1792	1844	1972	2165	2476	2517
Elev.	1029	1009	983	962	952	946	945	946	956	967	983	985	
Folsom	697	768	701	540	395	334	295	295	305	318	348	437	542
Elev.	446	439	422	402	393	386	386	388	390	395	409	422	
New Melones	1905	1814	1688	1604	1532	1489	1452	1453	1457	1461	1461	1459	1422
Elev.	1035	1023	1014	1007	1002	998	998	998	999	999	999	995	
San Luis	370	237	121	77	82	158	225	247	284	476	451	405	326
Elev.	465	445	424	411	413	420	434	452	460	466	456	444	
Total	8375	7451	6475	5717	5357	5178	5163	5238	5573	5798	6211	6330	

State End of the Month Reservoir Storage (TAF)

Oroville	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Elev.												
San Luis Total San Luis (TAF)	1322	1122	921	726	616	633	687	823	906	1280	1140	960

Monthly River Releases (TAF/cfs)

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trinity	92	47	28	53	52	23	18	18	18	17	18	36
cfs	1,498	783	450	857	870	373	300	300	300	300	300	600
Clear Creek	16	11	9	9	9	12	12	12	12	11	17	12
cfs	265	190	150	150	150	200	200	200	200	200	275	200
Sacramento	559	698	750	599	387	338	280	219	200	194	215	416
cfs	9100	11700	12200	9750	6500	5500	4373	3557	3250	3500	3500	7000
American	92	125	208	201	106	78	43	44	49	73	83	101
cfs	1500	2110	3385	3276	1776	1276	718	710	800	1310	1357	1706
Stanislaus	55	59	12	12	12	35	12	12	13	12	12	27
cfs	887	1000	200	200	200	577	200	200	213	214	200	460
Feather												
cfs												

Trinity Diversions (TAF)

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Carr PP	99	99	100	101	100	24	30	21	15	10	7	44
Spring Crk. PP	99	99	99	99	99	45	20	12	10	10	10	15

Delta Summary (TAF)

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Tracy	57	153	252	260	249	198	79	74	230	45	50	49
USBR Banks	0	0	9	9	9	0	0	0	0	0	0	0
Contra Costa	4.2	5.1	5.6	5.5	4.2	4.2	3.8	3.8	3.8	3.0	3.4	3.8
Total USBR	62	158	267	275	262	202	83	78	234	48	53	51
State Export												
Total Export	98	212	297	306	292	273	227	231	404	74	103	93
COA Balance	11	10	11	18	30	11	11	11	11	-14	-67	-47
Vernalis	135	90	45	40	46	104	83	83	92	82	82	105
cfs	2194	1521	737	655	772	1700	1393	1366	1498	1476	1339	1767
Old/Middle River Std.												
Old/Middle R. calc.	-835	-2,661	-3,973	-4,122	-4,025	-3,348	-2,899	-2,872	-4,974	-962	-1,282	-1,000
Computed DOI	8052	7447	4994	4636	4118	4994	5009	6019	6214	11400	11403	9497
Excess Outflow	244	0	0	0	0	0	0	16	1708	0	0	0
% Export/Inflow	14%	25%	34%	37%	42%	40%	40%	38%	55%	11%	13%	12%
% Export/Inflow std.	36%	35%	65%	65%	65%	65%	65%	65%	65%	45%	35%	35%

Hydrology

Water Year Inflow (TAF)	Trinity	Shasta	Folsom	New Melones
Year to Date - Forecasted	450	3,077	1,414	639
% of mean	37%	56%	52%	60%

CVP actual operations do not follow any forecasted operation or outlook; actual operations are based on real-time conditions
 CVP operational forecasts or outlooks represent general system-wide dynamics and do not necessarily address specific watershed/tributary details
 CVP releases or export values represent monthly averages.
 CVP Operations are updated monthly as new hydrology information is made available December through May.

Figure 10 - Reclamation – May 2020, 50% Exceedance Operations Forecast Summary

Estimated CVP Operations 50% Exceedance

Storages

Federal End of the Month Storage/Elevation (TAF/Feet)

		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trinity	Elev.	1921	1846	1724	1597	1441	1287	1252	1244	1274	1339	1449	1578
		2330	2321	2311	2298	2284	2281	2280	2283	2289	2299	2310	2319
Whiskeytown	Elev.	239	238	238	238	238	238	206	206	206	206	206	238
		1209	1209	1209	1209	1209	1199	1199	1199	1199	1199	1199	1209
Shasta	Elev.	3687	3594	3071	2613	2278	2176	2068	2142	2333	2730	3311	3866
		1029	1011	990	973	965	961	965	976	995	1021	1043	1054
Folsom	Elev.	697	765	687	561	458	409	391	392	412	488	592	780
		446	438	424	411	404	402	402	405	415	428	447	462
New Melones	Elev.	1905	1814	1716	1636	1567	1526	1493	1512	1535	1568	1622	1680
		1035	1025	1017	1010	1006	1003	1004	1007	1010	1015	1022	1020
San Luis	Elev.	370	318	145	94	88	159	239	295	506	729	883	966
		462	454	432	419	422	441	470	503	524	536	543	532
Total		8386	7581	6739	6071	5745	5650	5790	6266	7057	8064	9076	9586

State End of the Month Reservoir Storage (TAF)

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Oroville												
San Luis												
Total San Luis (TAF)	1322	1007	1007	801	680	707	882	1177	1337	1791	1948	1894

Monthly River Releases (TAF/cfs)

		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trinity	TAF	67	47	28	53	52	23	18	18	18	17	18	36
	cfs	1,092	782	450	857	870	373	300	300	300	300	300	600
Gear Creek	TAF	16	11	9	9	9	12	12	12	25	11	12	12
	cfs	265	190	150	150	150	200	200	200	400	200	200	200
Sacramento	TAF	559	714	707	575	387	338	238	200	200	180	277	339
	cfs	9100	12000	11500	9350	6500	5500	4000	3250	3250	3250	4500	5700
American	TAF	92	164	184	164	109	93	89	92	77	155	123	268
	cfs	1503	2750	3000	2670	1826	1506	1502	1500	1250	2800	2000	4500
Stanislaus	TAF	55	59	12	12	12	39	12	12	14	13	12	91
	cfs	887	1000	200	200	200	635	200	200	226	229	200	1536
Feather	TAF												
	cfs												

Trinity Diversions (TAF)

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Carr PP	91	95	99	100	99	23	20	9	0	2	1	55
Spring Crk. PP	80	90	90	90	90	45	15	12	10	35	26	35

Delta Summary (TAF)

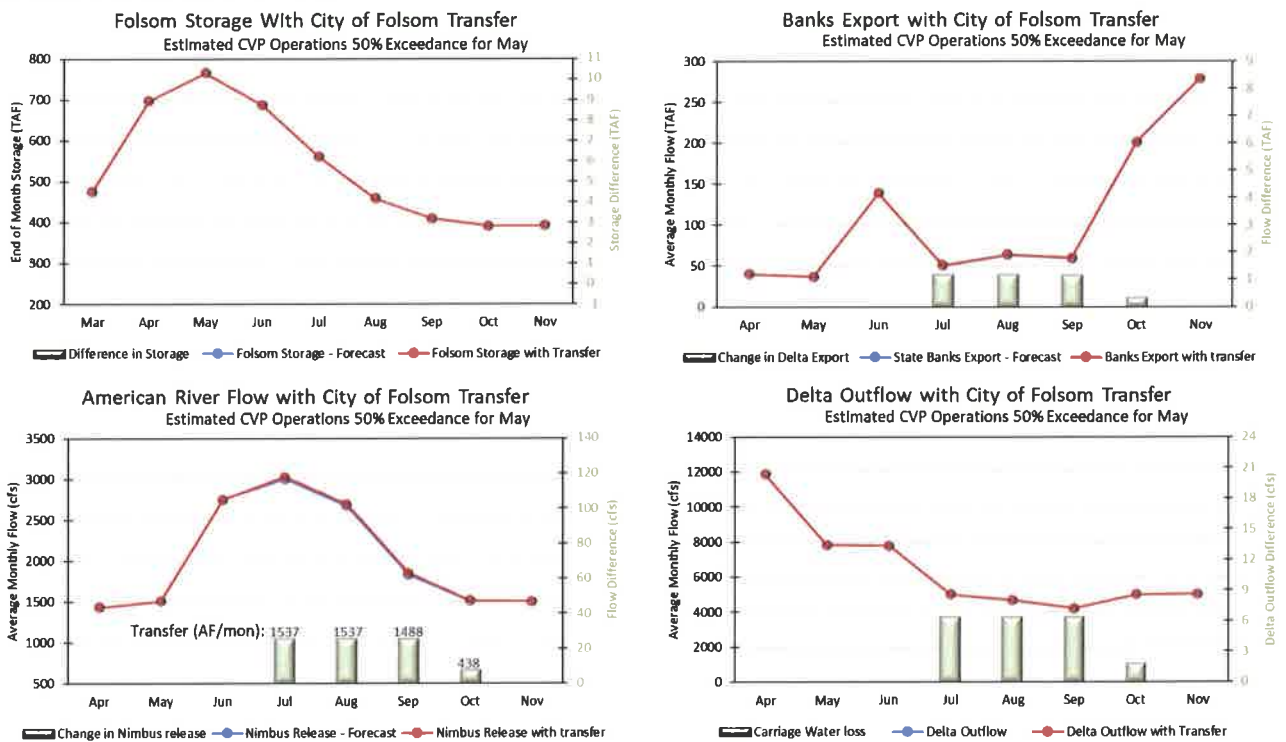
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Tracy	57	210	267	265	260	212	115	250	265	230	183	94
USBR Banks	0	0	11	11	11	0	0	0	0	0	0	0
Contra Costa	12.7	9.8	11.1	12.7	14.0	16.8	18.4	18.3	14.0	14.0	12.7	12.7
Total USBR	70	220	289	289	285	229	133	268	279	244	196	66
State Export												
Total Export	107	359	339	352	344	430	412	443	388	385	305	102
COA Balance	2	2	-4	-9	-10	-10	-10	-10	-10	-10	-10	-10
Vernalis	TAF	113	106	51	49	54	108	83	83	93	112	57
	cfs	1833	1790	834	802	906	1758	1393	1305	1511	2012	932
Old/Middle River Std.												
Old/Middle R. calc.	cfs	-1,104	-4,429	-4,462	-4,634	-4,635	-5,183	-5,301	-5,533	-4,770	-5,024	-3,987
Computed DOI		7808	7783	4994	4652	4186	4994	5009	8567	14120	19559	20285
Excess Outflow		0	336	0	0	0	0	0	254	8117	8159	8882
% Export/Inflow		14%	35%	36%	39%	45%	50%	53%	44%	31%	26%	19%
% Export/Inflow std.		35%	35%	65%	65%	65%	65%	65%	65%	45%	35%	35%

Hydrology

Water Year Inflow (TAF)	Trinity	Shasta	Folsom	New Melones
Year to Date - Forecasted	461	3,262	1,493	678
% of mean	38%	59%	55%	64%

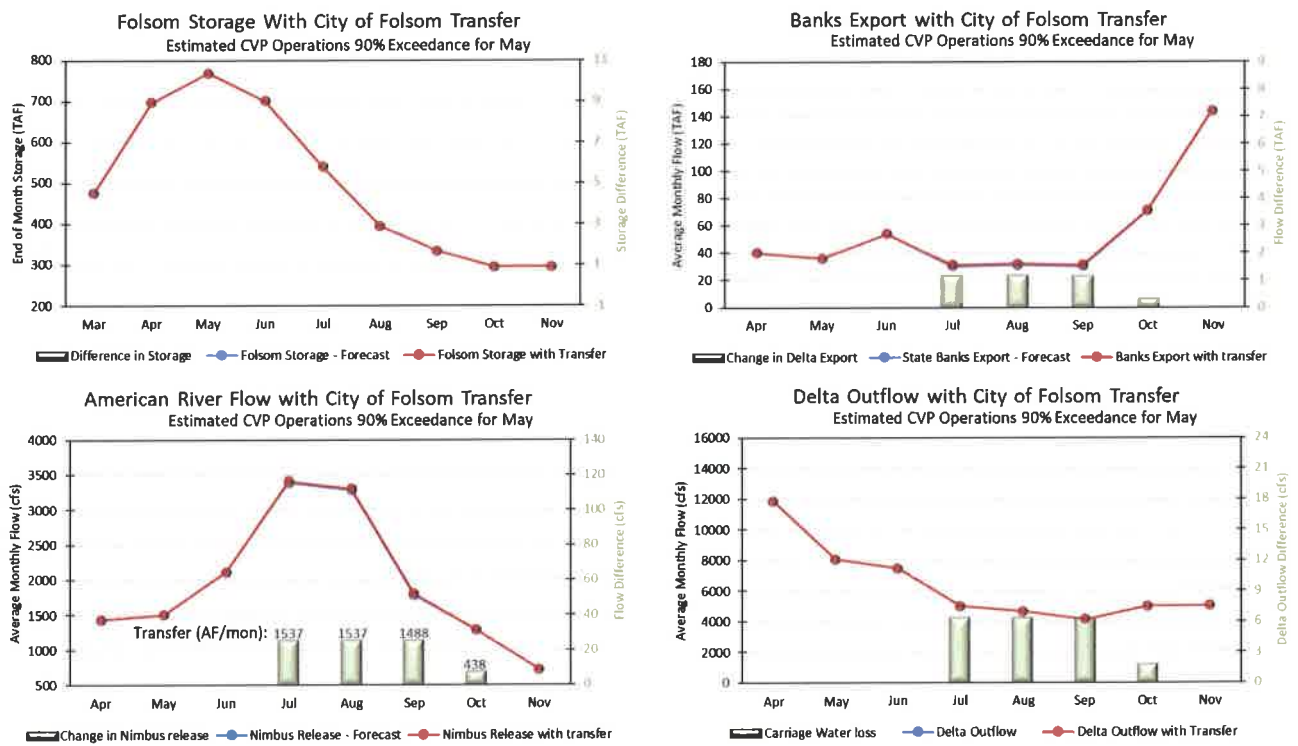
CVP actual operations do not follow any forecasted operation or outlook; actual operations are based on real-time conditions
 CVP operational forecasts or outlooks represent general system-wide dynamics and do not necessarily address specific watershed/tributary details
 CVP releases or export values represent monthly averages
 CVP Operations are updated monthly as new hydrology information is made available December through May.

Figure 11 - Transfer of 25 CFS from July 1 through October 8
 May 2020, 50% Exceedance Operations Forecast Summary



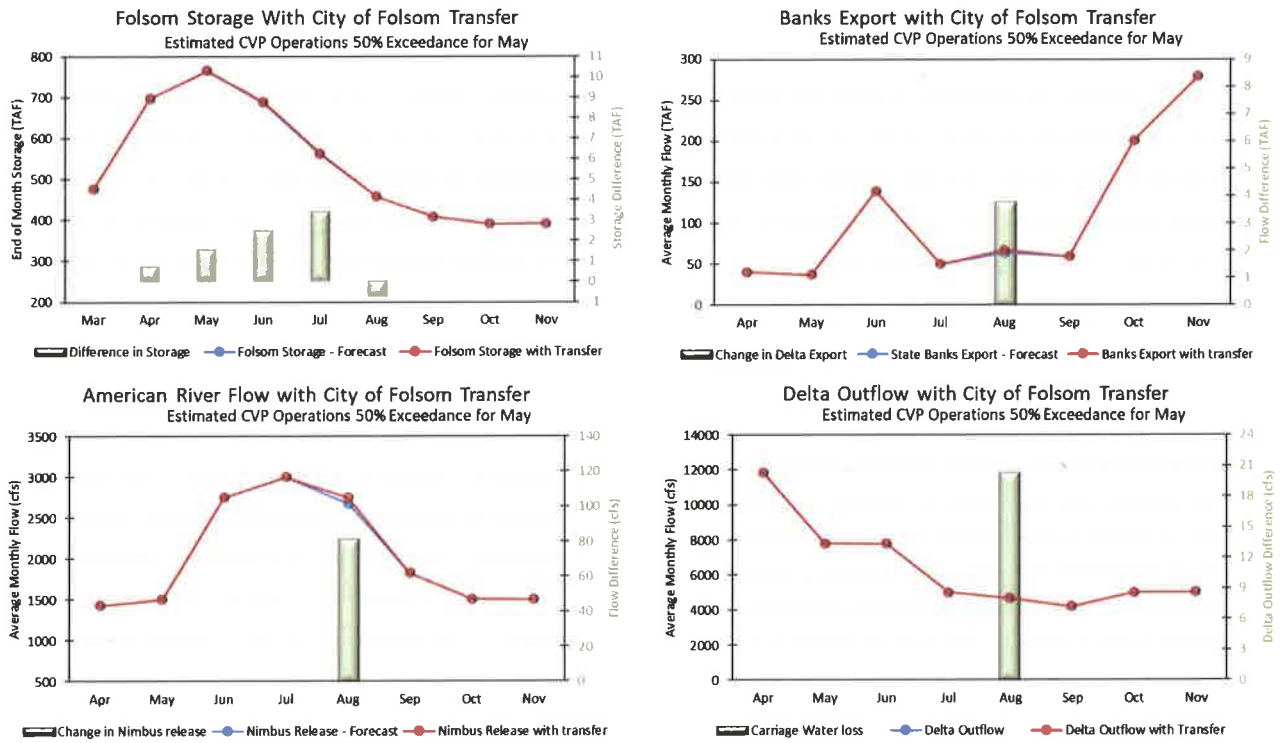
City of Folsom water transfer, water operations analysis

Figure 12 - Transfer of 25 CFS from July 1 through October 8
 May 2020, 90% Exceedance Operations Forecast Summary



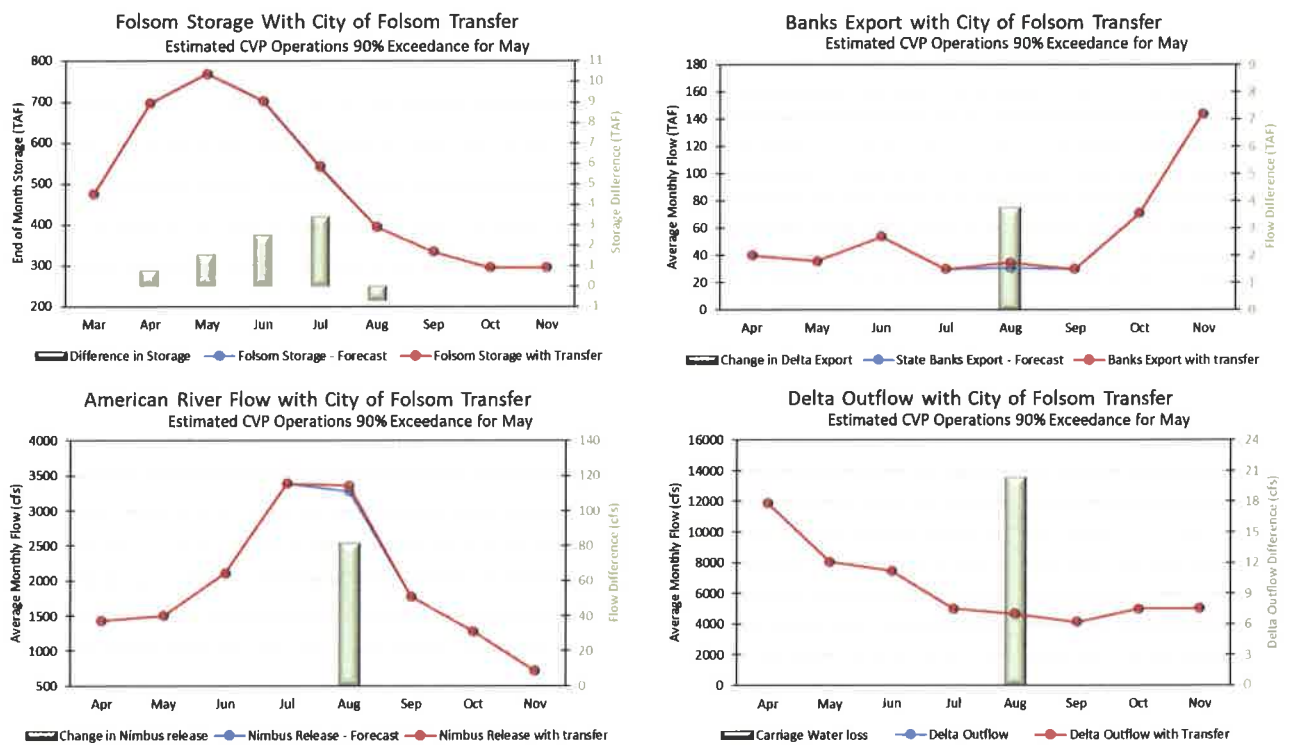
City of Folsom water transfer, water operations analysis

Figure 13 - 5,000 AF Transfer in August with April through September Accumulation of Transfer Supply
 May 2020, 50% Exceedance Operations Forecast Summary



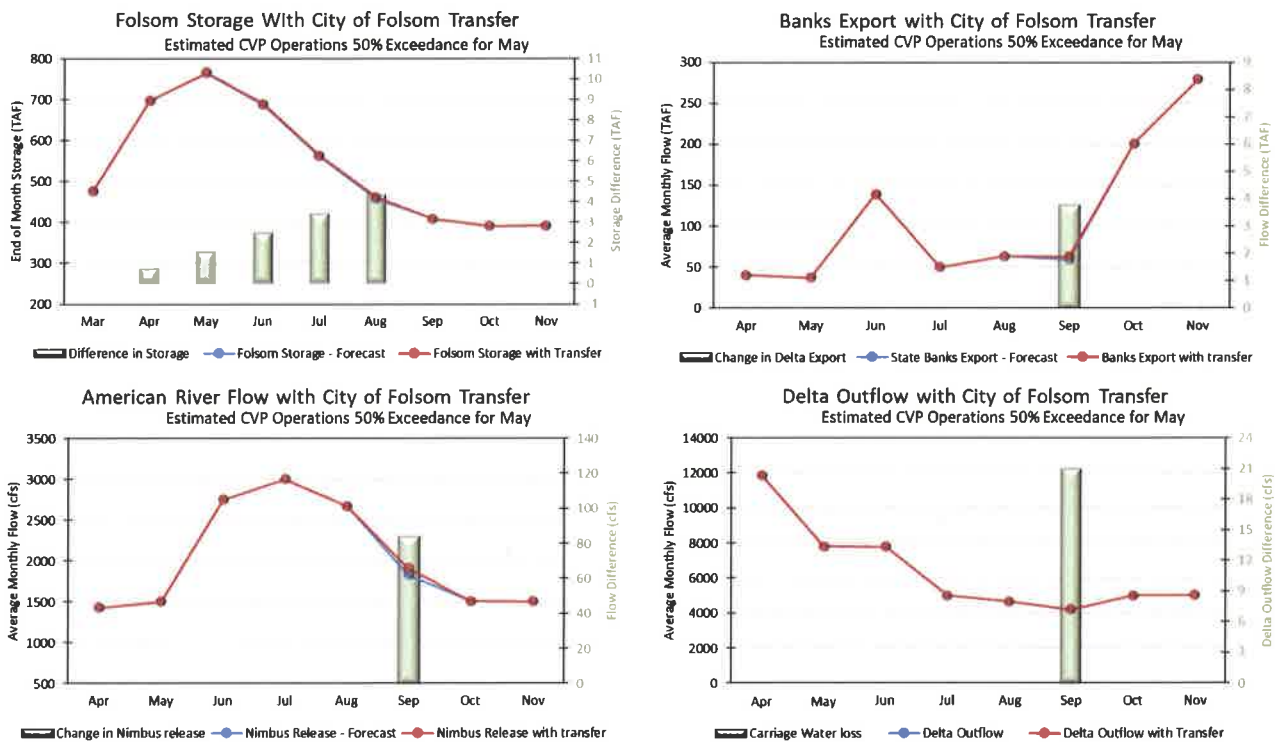
City of Folsom water transfer, water operations analysis

Figure 14 - 5,000 AF Transfer in August with April through September Accumulation of Transfer Supply
 May 2020, 90% Exceedance Operations Forecast Summary



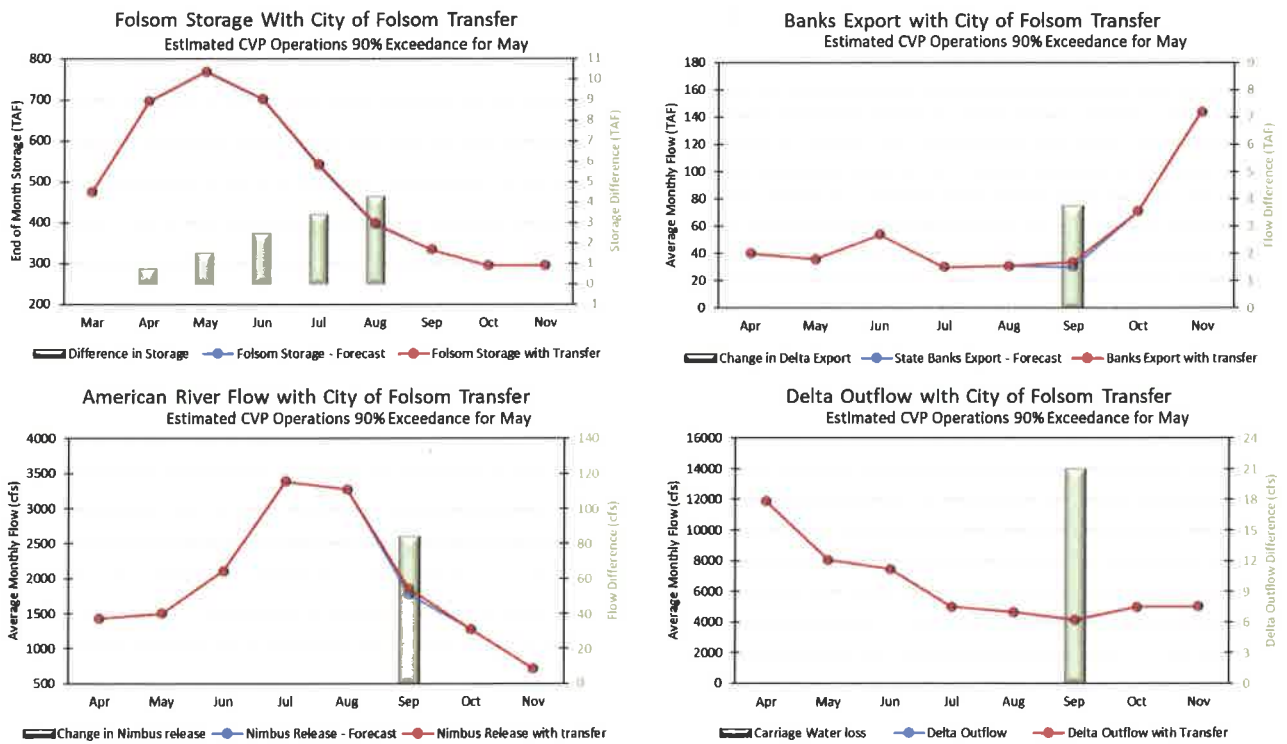
City of Folsom water transfer, water operations analysis

Figure 15 - 5,000 AF Transfer in September with April through September Accumulation of Transfer Supply
 May 2020, 50% Exceedance Operations Forecast Summary



City of Folsom water transfer, water operations analysis

Figure 16 - 5,000 AF Transfer in September with April through September Accumulation of Transfer Supply
 May 2020, 90% Exceedance Operations Forecast Summary



ATTACHMENT 3

**PURCHASE AGREEMENT FOR WATER TRANSFER
BETWEEN SELLER AND BUYERS**

This Purchase AGREEMENT for Water Transfer (“AGREEMENT”) is effective when fully executed by and between the City of Folsom (“SELLER”) and the public agencies listed in **Appendix A** that execute this AGREEMENT (“BUYERS”).

RECITALS

- A. SELLER is a California entity formed and operating in accordance with California law, and is empowered to sell water to BUYERS as provided for in this AGREEMENT.
- B. BUYERS are public agencies that execute this AGREEMENT and are formed and operating under the California Water Code and are empowered to purchase water from SELLER as provided for in this AGREEMENT for delivery to their customers.
- C. This AGREEMENT allows for BUYERS, willing purchasers, to acquire from SELLER, a willing seller, water supplies that BUYERS have determined are needed for use in BUYERS’ service areas. The water supplies to be transferred under this AGREEMENT will be a portion of the 27,000 acre-feet of water available to SELLER under its pre-1914 water rights to divert water from the American River, identified in Contracts Nos. DA-04-167-eng-330 (as assigned to SELLER), 14-06-200-4816A (as assigned to SELLER) and 14-06-200-5515A with the United States.
- D. The water made available for transfer under this AGREEMENT will result from GROUNDWATER SUBSTITUTION or RESERVOIR REOPERATION.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants and conditions contained herein, the PARTIES agree as follows:

1. *Recitals Incorporated.*

The foregoing Recitals are incorporated herein by reference.

2. *Definitions.*

The following terms shall have the following meanings as used herein:

- a. "AEROJET" means Aerojet-General Corporation.
- b. "BUYERS" are the public water agencies listed in **Appendix A** that execute this AGREEMENT.
- c. "CEQA" means the California Environmental Quality Act.
- d. "CONTRACT INTEREST RATE" is the interest rate paid monthly by the Local Agency Investment Fund (LAIF), calculated from the date of the payment being refunded and compounded monthly.
- e. "CONTRACTORS" means the State Water Contractors.
- f. "GROUNDWATER SUBSTITUTION" is American River water made available by pumping and use of remediated groundwater by Aerojet-General Corporation to meet its non-potable industrial uses pursuant to a June 29, 2007 Agreement Between The City Of Folsom And Aerojet-General Corporation With Respect To Water Service and in lieu of American River supplies previously delivered for those purposes by SELLER.
- g. "PARTIES" are the BUYERS and SELLER. DWR, while not a PARTY, does have authority to consent to this AGREEMENT.
- h. "POINT OF DELIVERY" means the point at which water is released from Folsom Dam.
- i. "RESERVOIR REOPERATION" means the purposeful release of water subject to the SELLER's pre-1914 water rights and made available by SELLER's

implementation of its System Optimization Water Project, which was SELLER's program of identifying and correcting leaks and losses within its municipal water distribution system, that, as a practical matter, has been present in Folsom Reservoir as a result of SELLER's currently reduced demand under those rights.

- j. "SWC AGREEMENT" means the State Water Contractors 2020 Dry Year Water Transfer Agreement by and between the BUYERS and CONTRACTORS.
- k. "USBR" means the United States Bureau of Reclamation.

3. Term.

This AGREEMENT will be effective between the SELLER and any BUYERS listed above once they have both executed this AGREEMENT. This AGREEMENT will be in effect until December 31, 2020, or such later date when all obligations under it are satisfied. No right of renewal or right to enter into extensions of this AGREEMENT or to enter into any new water transfer agreement is expressly granted hereunder, nor may such a right be implied from the execution of this AGREEMENT.

4. Agreement to Transfer Water.

- a. The BUYERS have entered into a SWC AGREEMENT. In the SWC AGREEMENT, the BUYERS authorized the CONTRACTORS to handle all payments and disbursements described in this AGREEMENT on the BUYERS' behalf. The SWC AGREEMENT requires BUYERS to deposit with the CONTRACTORS funds necessary to make the payments for water and the BUYERS' share of regulatory costs and authorizes the CONTRACTORS to make all such payments to SELLER required by this AGREEMENT. SELLER shall send all notices or invoices required by this AGREEMENT to the CONTRACTORS with a copy to BUYERS, and the CONTRACTORS shall send

all notices and payments to SELLER under this AGREEMENT on behalf of the BUYERS. The CONTRACTORS shall make all payments to SELLER required in accordance with this AGREEMENT on the BUYERS' behalf. Payment shall be made to SELLER in accordance with SELLER's instructions. Nothing in this Section 4(a) shall affect or limit the BUYERS' duties and obligations under this AGREEMENT, and they remain jointly and severally obligated to make the subject payments to SELLER, notwithstanding performance or non-performance on the part of the CONTRACTORS.

- b.* SELLER agrees to sell to BUYERS up to 5,000 acre-feet, at a price of \$350.00 for each acre-foot, of the water supply derived from GROUNDWATER SUBSTITUTION and/or for RESERVOIR REOPERATION for delivery in 2020 for each-acre foot SELLER makes available to BUYERS at the POINT OF DELIVERY. Neither this section, nor any other provision in this AGREEMENT, shall establish a precedent or be considered binding on the PARTIES regarding the terms and conditions of agreements governing possible future transfers.
- c.* For GROUNDWATER SUBSTITUTION, the PARTIES acknowledge that the associated groundwater pumping has occurred for many years pursuant to regulatory mandates of, among other agencies, the United States Environmental Protection Agency and that GROUNDWATER SUBSTITUTION water subject to SELLER's water rights has been present in Folsom Reservoir on an on-going basis since 2016. Nothing in this AGREEMENT constitutes an admission by SELLER for purposes of future transfers that the regulatory requirements imposed on this water transfer are required under applicable law.

d. In the event SELLER fails to make available the water quantity purchased at the POINT OF DELIVERY, SELLER will first provide appropriate adjustments to the final invoice to reflect any differences in the volume of water requested by BUYERS and ultimately delivered by SELLERS. If due to unforeseen circumstances the final invoice reflects an amount due to BUYERS, SELLER will promptly refund to BUYERS any payments made for purchased water not provided by SELLER. Any refunds shall accrue interest at the CONTRACT INTEREST RATE.

5. *Payments for GROUNDWATER SUBSTITUTION and RESERVOIR REOPERATION Transfer Water.*

a. SELLER may invoice BUYERS for 50% of the final quantities SELLER offers on or before June 30, 2020, provided DWR has approved conveyance of the transfer water and BUYERS have called the water. If DWR approval occurs after June 30, 2020, SELLER may invoice BUYERS for 50% of the final quantities at that time, provided BUYERS have called the water. On or after July 31, 2020, SELLER may invoice BUYERS for an additional 40% of the final water quantity offered by SELLER under this AGREEMENT. After DWR has confirmed the final water quantity delivered by SELLER at the POINT OF DELIVERY, SELLER may invoice BUYERS for the final balance owed. BUYERS shall pay all invoices under this section within thirty (30) days of receipt. Payments not made within thirty (30) days under this section shall accrue interest at the CONTRACT INTEREST RATE, compounded monthly.

6. *Water To Be Transferred; Delivery Conditions; POINT OF DELIVERY.*

- a.* On or before 5:00 p.m. on June 15, 2020, in their sole discretion, BUYERS shall notify SELLER whether they want to buy the total amount of water offered by SELLER on July 1, 2020. Failure by BUYERS to notify SELLER on or before 5:00 p.m. on June 15, 2020 shall be deemed an election by BUYERS to take all water offered by SELLER on July 1, 2020. Except as provided for in Sections 6(b) and 6(b), once BUYERS have notified SELLER of their intent to buy all water made available by SELLER (or that election has been otherwise deemed to occur), BUYERS will have a “take or pay” obligation for the total amount of water offered by SELLER at the POINT OF DELIVERY and that DWR will convey to BUYERS.
- b.* For water made available by RESERVOIR REOPERATION:
- i.* BUYERS agree to purchase the amount of RESERVOIR REOPERATION water specified by SELLER in Section 6(a) that DWR will convey to BUYERS, and is made available by SELLER at the POINT OF DELIVERY.
 - ii.* Until SELLER provides the notification set forth in Section 6(a), SELLER may, in its sole discretion, reduce in whole or in part the amount of water being offered from RESERVOIR REOPERATION it wishes to make available to BUYERS.
 - iii.* If regulatory restrictions, including increased carriage losses, or State Water Project (SWP) infrastructure availability limit BUYERS’ ability to divert and use the RESERVOIR REOPERATION water under this AGREEMENT, or the BUYERS choose to terminate RESERVOIR REOPERATION transfers, BUYERS shall provide seventy-two (72) hour

notice and suspend or terminate RESERVOIR REOPERATION transfers.

Any water released prior to the effective date of the suspension or termination will be considered transferred to BUYERS.

iv. In the event SELLER's supply is reduced or curtailed, SELLER will meet and confer with BUYERS, but SELLER will reserve the right in its sole and absolute discretion to terminate this AGREEMENT. However, the obligations set forth in Section 7 will still apply.

c. For water made available by GROUNDWATER SUBSTITUTION:

- i.* BUYERS agree to purchase the amount of GROUNDWATER SUBSTITUTION water specified by SELLER in Section 6(a) that is determined to be transferable at the POINT OF DELIVERY by DWR, subject to Section 6(c)(iv), and is made available by SELLER at the POINT OF DELIVERY identified in Section 6(d).
- ii.* Until SELLER provides the notification set forth in Section 6(a), SELLER may, in its sole discretion, reduce in whole or in part the water quantity being offered from GROUNDWATER SUBSTITUTION it wishes to make available to BUYERS. Subject to Section 6(c)(iv), SELLER will use reasonable efforts to provide the GROUNDWATER SUBSTITUTION water during the transfer period. GROUNDWATER SUBSTITUTION amounts are subject to change based on the final start date for the water transfer, regulatory approvals and requirements, and any monitoring and mitigation obligations which may suspend or reduce pumping.
- iii.* Other than the 5,000 acre-feet that SELLER will transfer to BUYERS, this AGREEMENT places no requirement or restriction on SELLER's

diversions of surface water under its water rights and contracts within SELLER's boundary during the transfer period. However, if regulatory restrictions, including increased carriage losses, or State Water Project (SWP) infrastructure availability limit BUYERS' ability to divert and use the GROUNDWATER SUBSTITUTION water under this AGREEMENT, or the BUYERS choose to terminate GROUNDWATER SUBSTITUTION transfers, BUYERS shall provide seventy-two (72) hour notice of the need for SELLER to either suspend or terminate delivery of GROUNDWATER SUBSTITUTION water and SELLER shall use its reasonable best efforts to have USBR cease releasing that water from Folsom Dam. BUYERS may request SELLER to resume delivery of GROUNDWATER SUBSTITUTION water under this AGREEMENT, and SELLER will use its reasonable best efforts to have USBR resume release of that water no later than forty-eight (48) hours after BUYERS' notice.

- iv.* SELLER shall monitor and prepare and submit reports as required by DWR to document pumping by AEROJET that makes GROUNDWATER SUBSTITUTION available. In the event that groundwater necessary to provide the water requested pursuant to Section 6(a) is not pumped, for which BUYERS have contracted and paid for, SELLER will promptly refund to BUYERS any payments made in accordance with this AGREEMENT for each acre-foot not produced. Any refunds shall include interest at the CONTRACT INTEREST RATE.

- d.* SELLER shall make transfer water subject to this AGREEMENT available at the POINT OF DELIVERY, and SELLER shall not schedule the delivery to BUYERS of water to be transferred under this AGREEMENT. Except to the extent provided for in Section 6, BUYERS shall be responsible for and shall bear all risks for all conveyance and other losses related to the inability of BUYERS or DWR to convey the water from the POINT OF DELIVERY to BUYERS, and for any carriage water losses assessed against BUYERS by USBR or DWR. BUYERS understand and acknowledge that the transfer of water will occur within the current and future regulatory parameters for the SWP, including all Biological Opinion requirements under the federal and state endangered species acts and any additional restrictions being implemented as a result of interim operational remedies imposed by a state or federal court. SELLER shall in no way be responsible for BUYERS' inability, infeasibility, frustration of purpose, or increased expenses resulting from transferring or transporting the water after the POINT OF DELIVERY. To the extent provided in Section 6(a), BUYERS' obligations under this AGREEMENT shall remain the same notwithstanding difficulty, increased costs, impossibility, or inability to transport the water to BUYERS' place of use except as provided in this AGREEMENT.
- e.* The 5,000 acre-feet of water made available to BUYERS by GROUNDWATER SUBSTITUTION or RESERVOIR REOPERATION pursuant to this AGREEMENT shall be for the exclusive use of the BUYERS, and SELLER shall take no actions, except those permitted by this AGREEMENT, that would reduce the water transferred under this AGREEMENT.

7. Obtaining Approvals; Environmental Compliance; and Related Costs.

- a.* Approvals and Documentation. SELLER will be responsible for preparing any necessary CEQA and SWRCB documentation.

For RESERVOIR REOPERATION, SELLER will be responsible for preparing any necessary CEQA or NEPA documentation, and acquiring any Warren Act Contract or other contract or agreement with USBR as determined necessary.

- b.* SELLER is required to obtain USBR's (where applicable) and DWR's consent to the water transfer provided for under this AGREEMENT. BUYERS and SELLER will cooperate with and assist each other as necessary in obtaining approval and agreement from USBR and/or DWR.
- c.* BUYERS will reimburse SELLER's reasonable and documented out-of-pocket administrative expenses, including but not limited to legal, environmental, and engineering consultants' fees and expenses incurred by SELLER for developing and administering mitigation and monitoring programs for GROUNDWATER SUBSTITUTION, and obtaining any necessary approvals supporting this AGREEMENT, regardless of whether water is transferred, unless SELLER fails to provide any water after the BUYERS provide notification to purchase water as set forth in Section 6.a). Subject to the foregoing, SELLER shall be entitled to this reimbursement for such costs incurred after February 1, 2020, and upon the BUYERS and SELLERS executing this AGREEMENT. Except as set forth in Section 7(d), the maximum amount that a SELLER will be reimbursed for its out-of-pocket administrative expenses is \$50,000 (for actual net deliveries greater than 10,000 acre-feet); \$30,000 (for actual net deliveries between 9,999 acre-feet and 5,000 acre-feet); and \$20,000 (for actual net deliveries between 4,999 acre-feet

and 1,000 acre-feet). Water quantity offered by the SELLER but declined per Section 6(c)(iv) will be counted towards the aforementioned administration reimbursement quantification tiers. SELLER may invoice BUYERS one time for such expenses after May 30, 2020. BUYERS shall pay such invoices within thirty (30) days of BUYERS' receipt of the invoice. SELLER shall invoice BUYERS for all costs under this section by no later than December 31, 2020. If SELLER fails to invoice by December 31, 2020, BUYERS are not obligated to pay the costs set forth in this Section 7(c).

- d.* In the event of an administrative challenge and/or litigation related to the proposed 2020 water transfer, SELLER and BUYERS will promptly meet and confer to perform a risk assessment of the litigation/challenge, and cooperate in good faith to determine whether to terminate the AGREEMENT due to the litigation/challenge. If litigation and/or an administrative challenge is pending as of June 30, 2020, either PARTY may elect to terminate the AGREEMENT due to any such litigation/challenge. If either PARTY so elects to terminate the AGREEMENT, BUYERS shall still be obligated to pay SELLER's reasonable and documented out-of-pocket administrative expenses, and for all of the water transferred to BUYERS prior to such termination. If litigation and/or an administrative challenge is initiated after June 30, 2020, SELLER and BUYERS will promptly meet and confer to perform a risk assessment of the litigation/challenge, but termination of this AGREEMENT may only occur through agreement of both BUYERS and SELLER or at the option of SELLER in its sole discretion. SELLER will take all necessary and appropriate actions to defend the transfer on behalf of BUYERS and SELLER. Except as set forth in

Section 7(d)(ii), BUYERS will reimburse 100% of SELLER's actual out-of-pocket expenses incurred in defending the proposed 2020 water transfer. BUYERS shall cooperate in defending the litigation as requested by SELLER. SELLER shall invoice BUYERS for expenses under this section on a monthly basis (supported by invoices) beginning the month following initiation of the proceeding or challenge, and BUYERS shall pay such invoices within thirty (30) days of BUYERS' receipt of each invoice. However, BUYERS may still dispute such invoices after paying.

- i.* Subject to Section 7(d)(ii), BUYERS shall bear their own costs of any litigation and/or administrative challenge and shall pay any remedial award associated therewith, whether levied against BUYERS or SELLER.
- ii.* As to claims that solely challenge SELLER's conduct within SELLER's service area or above the POINT OF DELIVERY, and excepting claims governed by Section 7(d), including CEQA, Endangered Species Act, or administrative challenges to the entire transfer program, SELLER shall have primary responsibility for defending such claims on behalf of both SELLER and BUYERS, and BUYERS shall participate in defending against such claims to the extent it deems necessary or appropriate, in BUYERS' sole discretion. BUYERS shall bear their own fees and costs of defending against such claims. Except as provided in Section 7(c), SELLER shall bear its own fees and costs of defending against such claims and shall pay any monetary awards associated therewith.

- e.* Notwithstanding anything to the contrary in Sections 7(c) and (d), BUYERS shall not be required to reimburse SELLER for the time spent by its directors, officers, or employees relating to this transfer.
- f.* SELLER is required to obtain DWR's agreement that the water made available by SELLER at the POINT OF DELIVERY is transferable to BUYERS. BUYERS are required to obtain DWR's agreement to divert the quantity of water calculated pursuant to Section 4(b), less carriage and any other water losses assessed by DWR, at the H.O. Banks Pumping Plant for delivery to BUYERS, consistent with BUYERS' SWP water supply contract. SELLER will cooperate with and assist BUYERS as requested to obtain DWR's agreement, but SELLER shall not act as a guarantor of such an agreement. BUYERS and SELLER acknowledge that DWR's approval will occur subsequent to executing this AGREEMENT. If DWR's agreement is not obtained, BUYERS and SELLER will confer to determine whether they will mutually agree to continue this AGREEMENT, with or without appropriate amendments.
- g.* SELLER shall obtain any and all other necessary approvals required to effectuate the water transfer under this AGREEMENT, except that BUYERS shall obtain all authorizations for the conveyance of the transfer water from the POINT OF DELIVERY to BUYERS' places of use.

8. *Water Rights Not Affected.*

No transfer of water pursuant to this AGREEMENT shall confer any appropriative, public trust, or other right to water on any person or entity. Nothing in this AGREEMENT shall act as a forfeiture, diminution, or impairment of any rights of SELLER to its full deliveries of water after the expiration of the AGREEMENT, and shall in no way prejudice any of SELLER's rights

thereto. Consistent with the provisions of California Water Code Sections 109, 475, 1011, 1244, and 11961, the PARTIES agree that no transfers under this AGREEMENT, nor the AGREEMENT itself, is evidence of the availability of surplus water beyond the term of the AGREEMENT, nor evidence of lack of beneficial use of the water involved in the transfer, and they shall not contend otherwise. The only rights granted to the PARTIES as a result of this AGREEMENT are those expressly set forth herein.

9. General Indemnity.

Subject to the provisions of Section 7(d) regarding allocation of litigation expenses, each PARTY (that is, SELLER on the one hand, and BUYERS on the other hand) agrees to protect, defend, indemnify, and hold harmless the other PARTY and its/their directors, officers, agents, servants, employees, and consultants, in addition to the CONTRACTORS' directors and employees from and against any and all losses, claims, liens, demands, and causes of action of every kind and character, without limitation by enumeration, occurring or in any way incident to, connected with, or arising directly or indirectly out of the performance or non-performance by the indemnifying PARTY hereunder.

10. Construction and Interpretation.

It is agreed and acknowledged by the PARTIES that this AGREEMENT has been arrived at through negotiation, and that each PARTY has had a full and fair opportunity to revise the terms of this AGREEMENT. Consequently, 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.

11. Obligations Prior to Termination.

Notwithstanding any other provision hereof, the obligations of the PARTIES incurred pursuant to this AGREEMENT prior to the termination of this AGREEMENT, including without limitation the obligations to make refunds as required, shall survive the termination.

12. Severability.

The invalidity, illegality, or unenforceability of any provision of this AGREEMENT shall not render the other provisions unenforceable, invalid, or illegal.

13. Governing Law.

This AGREEMENT shall be interpreted and enforced pursuant to the laws of the State of California.

14. Modifications.

This AGREEMENT can only be modified in writing and if executed by both PARTIES.

15. Entire Agreement.

This AGREEMENT contains the entire understanding of the PARTIES related to their interests, obligations, and rights in connection with the subject matter set forth herein. All prior communications, negotiations, stipulations, and understandings, whether oral or written, are of no force or effect, and are superseded, except as referenced herein.

16. No Third Party Beneficiary.

The PARTIES to this AGREEMENT do not intend to create any third party beneficiaries to this AGREEMENT, and expressly deny the creation of any third party beneficiary rights hereunder toward any person or entity.

17. Time.

Time is of the essence in the performance of each and every term of this AGREEMENT.

18. Waiver.

The waiver or failure to declare a breach as a result of the violation of any term of this AGREEMENT shall not constitute a waiver of that term or condition and shall not provide the basis for a claim of estoppel, forgiveness or waiver by any PARTY to that term or condition.

19. Attorneys' Fees.

If it shall be necessary for any PARTY hereto to commence legal action or arbitration to enforce the terms and provisions of this AGREEMENT, each PARTY shall be responsible for its own attorneys' fees, expenses, and costs incurred therein.

20. Captions.

The section and subsection captions in this AGREEMENT are for convenience only and shall not be used in construing the AGREEMENT.

21. Additional Documents.

Each PARTY agrees to make, execute, and deliver any and all documents and to join in any application or other action reasonably required to implement this AGREEMENT.

22. Notice.

Any and all communications and/or notices in connection with this AGREEMENT shall be emailed, or either hand-delivered or sent by United States first class mail, postage prepaid, and addressed as follows:

To: City of Folsom

Marcus Yasutake
Environmental and Water Resources Director
City of Folsom
Folsom, CA 95630
myasutake@folsom.ca.us

To: State Water Contractors

Eric Chapman
1121 L Street, Suite 1050
Sacramento, CA 95814-3944
echapman@swc.org

To: BUYERS

See **Appendix A** attached hereto for list of names and addresses of BUYERS. The PARTIES may change the foregoing addresses by providing written notice in compliance with this section.

23. BUYERS' Liability.

BUYERS, and each of them, shall be jointly and severally liable for complying with the obligations, liabilities, terms, and conditions of this AGREEMENT, including, without limitation, the obligations set forth in Sections 5 and 7.

24. Counterparts; Facsimile Execution.

This AGREEMENT may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto except for having an additional signature page executed by any other PARTY. Each PARTY agrees that each other PARTY may rely upon the facsimile signature of any PARTY on this AGREEMENT as constituting a duly authorized, irrevocable, actual, current delivery of this AGREEMENT as fully as if this AGREEMENT contained the original ink signature of the PARTY supplying a facsimile signature.

IN WITNESS WHEREOF, the PARTIES hereto have executed this AGREEMENT as of the day and year first written above.

CITY OF FOLSOM, A Municipal Corporation

Approved as to form:

Elaine Andersen, City Manager

Steven Wang, City Attorney

Attest:

Approved as to content:

Christa Freemantle, City Clerk

Marcus Yasutake
Environmental & Water Resources
Director

DUDLEY RIDGE WATER DISTRICT

By _____

Dated: _____

Title: _____

KERN COUNTY WATER AGENCY

By _____

Dated: _____

Title: _____

COUNTY OF KINGS

By _____

Dated: _____

Title: _____

TULARE LAKE BASIN WATER STORAGE DISTRICT

By _____

Dated: _____

Title: _____

PALMDALE WATER DISTRICT

By _____

Dated: _____

Title: _____

ALAMEDA COUNTY WATER AGENCY

By _____

Dated: _____

Title: _____

Appendix A

BUYER LIST Buyers' Addresses

To: Dudley Ridge Water District

Rick Besecker
Provost & Pritchard Engineering Group, Inc.
286 W. Cromwell Avenue
Fresno, CA 93711-6162
rbesecker@ppeng.com

To: Kern County Water Agency

Lauren Bauer
P. O. Box 58
Bakersfield, CA 93302
lbauer@kcwa.com

To: County of Kings

To: Tulare Lake Basin Water Storage District

Jacob Westra

To: Palmdale Water District

Peter Thompson

To: Alameda County Water Agency

Thomas Nieser

ATTACHMENT 4

Recording Requested By And
When Recorded Mail To:

City of Folsom
50 Natoma Street
Folsom, CA 95630
Attn: City Clerk

Official Document, exempt from Recording
Fees pursuant to Gov't Code §§ 6103 & 27383

(This Space for Recorder's Use Only)

**AGREEMENT CONCERNING 2020 WATER TRANSFER
BETWEEN THE CITY OF FOLSOM AND CERTAIN
LANDOWNERS IN THE FOLSOM PLAN AREA**

This agreement is made effective June __, 2020 among the City of Folsom, a charter city (the "City"), and the landowners listed in the signature blocks to this Agreement as "Participating Landowners" (each a "Participating Landowner," and collectively the "Participating Landowners"). For purposes of this Agreement, the City and the Participating Landowners are individually called a "Party" and collectively, the "Parties."

RECITALS

This Agreement is based on the following recitals, on which the Parties agree:

A. Effective December 11, 2012, the Parties executed a Water Supply And Facilities Financing Plan And Agreement Between The City Of Folsom And Certain Landowners In The Folsom Plan Area (the "Water Supply Agreement").

B. The Water Supply Agreement's section 2 states: "The City will make up to 5,600 acre-feet of FPA Water Supply available to the Participating Landowners by: (a) shifting from the East Area to the FPA the 5,000 acre-feet of pre-1914 water rights water supplies assigned to the City under the GSWC Agreement; and (b) making available 600 acre-feet of water made available by the Water Systems Optimization Review Program. The City hereby represents that the City has the right to assign the use of the 5,000 acre-feet of pre-1914 water rights water under the GSWC Agreement from the East Area to the FPA."

C. The Water Supply Agreement's section 3(d) states, in relevant part: "If the City sells or leases any portion of the surplus water supply under the GSWC Agreement, the City will credit the revenues received from such sales or leases against the amount owing from the Participating Landowners for the costs of such water supplies."

D. Due to the fact that the Folsom Plan Area ("FPA") will build out over many years, the full FPA Water Supply currently is not being used within the FPA and the Participating Landowners requested that the City seek to transfer up to 5,000 acre-feet of the FPA Water Supply in 2020 to defray the Participating Landowners' financial obligations under the Water Supply Agreement. The City accordingly is seeking to implement such a water transfer in 2020.

E. The City is a party to an Agreement Between The City Of Folsom And Aerojet-General Corporation With Respect To Water Service, dated as of June 29, 2007 (the “2007 Aerojet Agreement”). Under the 2007 Aerojet Agreement, Aerojet-General Corporation (“Aerojet”) agreed to accept remediated groundwater pumped from, and treated on, Aerojet’s property as a water supply to substitute for a raw-water supply of 5,000,000 gallons per day that the City previously provided Aerojet from the American River. The City’s deliveries of raw American River water reached a maximum of 3,897 acre-feet in 2008. Pursuant to the 2007 Aerojet Agreement, the City ended delivery of raw American River to Aerojet in October 2016, so the American River water supplies available to the City increased significantly at that time. This increment of American River water supplies made available to the City as a result of the 2007 Aerojet Agreement is referenced in this Agreement as the “Aerojet Water.”

F. In seeking to implement the 2020 water transfer requested by the Participating Landowners, the City has determined that inclusion of Aerojet Water as part of the water to be transferred is likely to facilitate the transfer’s implementation.

G. The City and the Participating Landowners mutually desire to facilitate a 2020 water transfer by the City and therefore seek to clarify the relationship of the Aerojet Water to the Water Supply Agreement generally and the FPA Water Supply specifically.

THEREFORE, the Parties agree as follows:

1. **Aerojet Water Not Part Of FPA Water Supply.** The City’s inclusion of some or all of the Aerojet Water available to the City in 2020 in the water the City is seeking to transfer in 2020 will not result in any portion of the Aerojet Water being included in the FPA Water Supply under the Water Supply Agreement. Following the completion of any 2020 water transfer that includes any portion of the Aerojet Water, the City shall retain full and sole discretion to determine how the Aerojet Water, and any part of it, may be used.

2. **Aerojet Water Not Required For FPA Development.** The Parties mutually represent and understand that the inclusion of the Aerojet Water in the water that the City is seeking to transfer in 2020 does not indicate that any portion of the Aerojet Water is necessary for the development of the FPA under the City’s Measure W or any other applicable law, regulation or policy.

3. **No Amendment Of Water Supply Agreement.** This Agreement does not amend or modify the Parties’ rights and obligations under the Water Supply Agreement, but instead only clarifies the relationship of the City’s potential 2020 transfer of Aerojet Water to the FPA, the FPA Water Supply and the Water Supply Agreement. In particular, under the Water Supply Agreement’s Section 19(c), each Participating Landowner’s rights and obligations under the Water Supply Agreement terminate as to completed commercial developments or residential units upon issuance of a final inspection or certificate of occupancy that permits the sale of one or more residential units or commercial units to the general public or connection of the residential unit(s) or commercial building(s) to the City’s water supply system (such an issuance is referenced in this Agreement as a “Final Issuance”). Consistent with the Water Supply Agreement, upon a Final Issuance, this Agreement will terminate as to the relevant residential or commercial unit(s) and the

owners and occupants of those units will have the rights and obligations of customers of the City's water system within the FPA.

4. Incorporation Of Defined Terms. This Agreement incorporates terms defined in the Water Supply Agreement and the Water Supply Agreement's definitions of those terms controls their definition in this Agreement.

5. Survival Of Agreement. The Parties' rights and obligations under this Agreement shall survive the completion of any water transfer by the City in 2020.

6. Successors And Assigns. The conditions and covenants set forth in this Agreement and incorporated herein will run with the Participating Landowner Properties against which this Agreement is recorded, and the benefits and burdens shall bind and inure to the benefit of the Parties. The legal descriptions of the Participating Landowner Properties are contained in the attached Exhibit A. The Parties acknowledge that the legal descriptions attached as Exhibit A may not include all parcels controlled by the Participating Landowners as of the date of this Agreement's execution, but this Agreement is intended to, and does, bind the Participating Landowners as to each parcel within the FPA owned and controlled by the Participating Landowners until the Water Supply Agreement terminates as to each of those parcels pursuant to the terms of this Section 6, and under the Water Supply Agreement's Section 19(c). The Parties further acknowledge that the covenants herein are made by the Participating Landowners pursuant to a common plan for the financing of the FPA Water Supply and that these covenants shall serve as equitable servitudes that benefit and are binding on the Participating Landowner Properties and all subsequent purchasers and encumbrancers thereof until terminated pursuant to the terms of this Section 6 and Section 19(c) of the Water Supply Agreement.

7. Entire Agreement. Other than as to the incorporation of defined terms from the Water Supply Agreement, this Agreement represents the sole, final, complete, exclusive and integrated expression and statement of the terms of agreement among the Parties concerning the subject matter of this Agreement. No modification of this Agreement will be effective unless and until such modification is evidenced by a writing signed by the Parties. There are no written or oral agreements, conditions, representations, warranties or promises with respect to the subject matter of this Agreement except those contained in or referred to in this document.

8. Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the State of California. The state superior or federal district court located in Sacramento County will be the venue for any litigation concerning the enforcement or construction of this Agreement.

9. Interpretation. The City and each of the Participating Landowners have had a full and fair opportunity to consult with their respective legal counsel in the negotiation and execution of this Agreement. For purposes of interpretation of this Agreement, no Party will be deemed to have been its drafter.

10. Notices. Any notice, demand, or request made in connection with this Agreement will be in writing and will be deemed to have been duly given on the date of service, if: (a) served personally on the Party to whom notice is to be given; (b) sent by

electronic mail, and the recipient acknowledges receipt to the sender; or (c) on the third day after mailing, if mailed to the Party to whom notice is to be given by first-class United States mail, postage-prepaid and properly addressed to the following designated representatives of the City and the Participating Landowners.

If to the City:

Elaine Andersen, City Manager
 City of Folsom
 50 Natoma Street
 Folsom, CA 95630
 Telephone: (916-461-6010
 E-mail: eandersen@folsom.ca.us

If to the Participating Landowners:

See list of designated representatives and addresses for notice to each Participating Landowner stated with each of their signature blocks.

Any Party may change its designated representative or contact information for receipt of notice upon delivery of a written notice of such changes to the other Parties in accordance with this section. No notice sent by the City to a Participating Landowner will be deemed invalid or be construed as a waiver of any right of the City under this Agreement if: (a) a change in that Participating Landowner's designated representative or contact information is received by the City after it has sent a notice under this section; (b) such Participating Landowner provides incorrect contact information to the City and fails to correct any such error before the City sends notice under this section; or (c) regardless of any defect in notice by the City, the Participating Landowner obtains or receives actual notice of any information or change contained in such defective notice.

11. Reasonable Cooperation. The Parties will reasonably cooperate with each other, including the execution of all necessary documents required to perform their respective obligations under this Agreement and to carry out the purpose and intent of this Agreement.

12. Counterparts. This Agreement may be executed in counterparts and facsimile or PDF signatures, each of which will be deemed an original, and all of which taken together will constitute one and the same Agreement.

13. Attorneys' Fees. If any Party initiates legal, administrative or other proceedings in any way related to this Agreement and the respective rights and duties thereunder of the Parties, then the prevailing party in any such proceeding (including an arbitration proceeding, if agreed to by the Parties) will be entitled to recover its attorneys' fees actually incurred and other costs (including expert and consultant fees and expenses, and costs and expenses of litigation) recoverable in such proceeding from the other Party in addition to any other relief that may be awarded. If the City Attorney and any deputy or assistant City Attorneys participate in any such proceedings, their fees will be calculated at the prevailing rate for private counsel.

The foregoing is hereby agreed to by the Parties as of the date first written above.

CITY OF FOLSOM:

Approved as to form:

Elaine Andersen, City Manager

Steven Wang, City Attorney

Attest:

Christa Freemantle, City Clerk

[Signatures of Participating Landowners
On Following Pages]

PARTICIPATING LANDOWNERS:
(Insert signature blocks)

EXHIBIT A

Legal Description of Participating Landowner Properties

ATTACHMENT 5



City Council
New Business – Resolution No. 10465
June 9, 2020



CITY OF
FOLSOM

Background



- Senate Bill x7-7
- System Optimization Review (SOR) Program
- Addendum No. 1 – 12/11/2012
- Resolution No. 9097 – 12/11/2012
- Addendum No. 2
- Proposed Transfer

Senate Bill x7-7

06/09/2020; Item No. 15.



CITY OF
FOLSOM

- Water Conservation Act of 2009
- 20% statewide water use reduction by 2020
 - City Baseline = 440 gallons per capita per day (GPCD)
 - City interim target (2015) = 396 GPCD
 - City 2020 target = 352 GPCD
 - City actual 2019 number = 246 GPCD
- Conserved water is subject to California Water Code Section 1011
 - Retain right to conserved water
 - Approximately 10,000 AF less in diversions in 2019 compared to 2007

System Optimization Review (SOR)

06/09/2020; Item No. 15.



CITY OF
FOLSOM

- System improvements and other conservation measures to reduce water usage
- City list of actions
 - Leak and loss detection and repairs
 - Water metering
 - Implementing the California Model Water Efficient Landscape Ordinance (MWELO)
 - Implementing the California Green Building Code Standards (Cal Green)
 - Implementing Best Management Practices (BMPs) of the California Water Efficiency Partnership

Addendum No.1

06/09/2020; Item No.15.



CITY OF
FOLSOM

- Addendum to the Environmental Impact Report for the Folsom South of U.S. 50 Specific Plan Project
- Analyzed an alternative water supply for the Folsom Plan Area (FPA) – 5,600 acre-feet
- Water Supply included conserved water under SB x7-7
- Approved by City Council under Resolution No. 9096
 - Same City Council Meeting included Resolution No. 9097

Resolution No. 9097

06/09/2020; Item No. 15.



CITY OF
FOLSOM

- Water Supply and Facilities Financing Plan for the FPA
 - Use of 5,000 AF of pre-1914 water previously paid for by the East Area
 - Previous SOR costs to be paid by FPA landowners (\$2.3 million)
 - Agreement allows for sale or lease of surplus water not used to meet FPA demands

Addendum No.2



- Proposed one-year transfer of up to 5,000 AF
 - Includes reduction in surface water deliveries to Aerojet
- Evaluate releases from Folsom Reservoir
- Evaluate American River flows
- Evaluate Delta flows
- Evaluate pumping at Department of Water Resources Banks Pumping Plant
- **CONCLUSION** – proposed transfer of 5,000 AF would not result in any new or more severe impacts discussed in the FPA Project EIR/EIS

Proposed Transfer

06/09/2020; Item No. 15.



CITY OF
FOLSOM

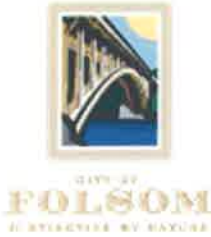
- Up to 5,000 AF or pre-1914 water
- Potential buyer is the State Water Contractors
- \$350 per acre-foot
- Water released from Folsom Reservoir
 - July 1 through October 8
- Water delivered to DWR pumping facilities



QUESTIONS?



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Folsom City Council Staff Report

MEETING DATE:	6/9/2020
AGENDA SECTION:	New Business
SUBJECT:	Resolution No. 10470 – A Resolution of the City Council Authorizing Deferral of Certain Development Impact Fees for the Parkway Apartment Project
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Move to Adopt Resolution No. 10470 - A Resolution of the City Council Authorizing Deferral of Certain Development Impact Fees for the Parkway Apartments Project.

BACKGROUND / ISSUE

On March 20, 2019, the Planning Commission approved an extension of the Parkway Apartment Community Planned Development Permit (PN 19-013) for a 72-unit 100% affordable apartment community on a 10.1-acre site located within the Parkway Specific Plan Area at the southwest corner of the intersection of Blue Ravine Road and Oak Avenue Parkway. This extension gave the applicant additional time to obtain the tax credits (from California Tax Credit Allocation Committee) necessary to finance development of the proposed project. The project applicant, Pacific West Communities, Inc. is requesting deferment of 75% of City-imposed development impact fees pursuant to Chapter 16.60 of the Folsom Municipal Code in the amount of \$1,001,922 (75% of \$1,335,896) which, pursuant to Section 16.60.040(F), shall be paid in full upon the close of the permanent loan financing for the project, or 15 months from the date of issuance of a building permit, whichever occurs earlier.

POLICY / RULE

The City Council shall approve or deny applications for impact fee deferrals. Section 16.60.040(B) of the Folsom Municipal Code.

ANALYSIS

FMC Chapter 16.60 allows City Council to approve deferral or waiver of City-imposed development impact fees for qualifying projects with specific considerations and conditions. Specifically, the Code allows City Council to approve deferral of City-imposed development impacts fees not to exceed 75% of the total amount of the impact fees applicable to low income and/or very low income units in a “qualified residential project”. In order to be a “qualified residential project” under FMC Chapter 16.60, the residential development project must have all required discretionary development approvals and entitlements and include at least 10% of its total units affordable to very low income households, and at least 30% of its units affordable to low income households. As a 100% affordable housing development, the Parkway Apartment Community project meets the required criteria for a “qualified residential project”.

Pursuant to Section 16.60.040(B) of the Folsom Municipal Code, the City Council may consider the following criteria in reviewing the fee deferral application:

1. The effect of an impact fee deferral on public improvements and planned capital facilities;
2. The extent to which a deferral of fees affects the feasibility of a project; and
3. The demonstrated need for a deferral. Special consideration shall be given to projects including student housing and to mixed use, and to transit-oriented and in-fill development.

The Parkway Apartments project is a fixed budget project that has received State and Federal Low-Income Housing Tax Credits (LIHTC). These credits subsidize the acquisition and construction of affordable rental housing for low and moderate-income tenants. From the commencement of construction, these credits are to be sold to investors to fund the project. Approval of the deferral of certain impact fees allows the applicant to produce the capitol to fund the project and pay the deferred impact fees without accruing interest during the 15-month deferral time period. The total amount of City-imposed development impact fees applicable to the Parkway Apartment Community project is approximately \$1,335,896, and 75% of that amount (equals \$1,001,922) is eligible for deferral.

Pursuant to FMC Sections 16.60.030 and 16.60.040(F), the maximum fee deferral period is 15 months from the date of fee deferral agreement execution, and the deferred fees are due and payable upon the close of permanent loan financing or upon the expiration of the maximum fee deferral period (i.e., 15 months from the date of issuance of a building permit

for a very low income or low income unit within the qualified residential project for which a fee deferral was approved), whichever is earlier.

Regarding specific criteria to consider in the review of fee deferral, the deferment of these impact fees in the amount of \$1,001,922 (17 total separate fees) for a 15-month period has a negligible effect on planned capital improvement projects because the total contribution is relatively minor and the payment delay short term. Additionally, the fee deferral is critical to the project feasibility in order to effectively manage the timelines, thresholds, and funding obligations of the tax credits for this affordable housing project. Finally, this project is located on a site that is deed restricted for affordable housing with site topography and soil conditions that increase site development costs. Staff supports the proposed fee deferral for the Parkway Apartment Community project consistent with the Folsom Municipal Code to allow for construction of the affordable housing project to proceed given site considerations and complex funding sources and stipulations.

FINANCIAL IMPACT

Deferment of certain impact fees affects only the timing in which fees are collected by the City. The financial impact of deferral of impact fees is negligible to the City.

ENVIRONMENTAL REVIEW

A Mitigated Negative Declaration and Mitigation Monitoring Program were previously approved for the Parkway Apartment Community project (PN 16-171) on March 15, 2017 in accordance with the California Environmental Quality Act (CEQA). Staff has determined that no new impacts will result from this fee deferral request that were not already considered with the project approval. In addition, staff has determined that none of the events described in Public Resources Code Section 21166 or CEQA Guidelines Section 15162 (e.g. substantial changes to the project) have occurred. No further environmental review is required.

ATTACHMENT

Resolution No. 10470 - A Resolution of the City Council Authorizing Deferral of Certain Development Impact Fees for the Parkway Apartment Project

Submitted,



Pam Johns Community Development Director

RESOLUTION NO. 10470

A RESOLUTION OF THE CITY COUNCIL AUTHORIZING DEFERRAL OF CERTAIN DEVELOPMENT IMPACT FEES FOR THE PARKWAY APARTMENT PROJECT

WHEREAS, the developer of the proposed Parkway Apartment Community project; located at the southwest corner of Blue Ravine Road and Oak Avenue Parkway (1105 Blue Ravine road) is requesting a deferment of City-imposed development impact fees to build a 72-unit multifamily 100% affordable housing project in which eight units shall be affordable to extremely-low income households; and

WHEREAS, the developer has requested a deferral of 75% of certain residential development impact fees pursuant to Section 16.60.040(C) of the Folsom Municipal Code; and

WHEREAS, as required by Section 16.60.040(F) of the Folsom Municipal Code, all deferred fees shall be due and payable upon the close of the permanent loan financing for the construction of the Parkway Apartments project, or 15 months from the date of issuance of a building permit for the project, whichever occurs earlier.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes deferral of up to 75% of city-imposed development impact fees applicable to the Parkway Apartment Community project until the close of the permanent loan financing for the construction of the Parkway Apartments project, or 15 months from the date of issuance of a building permit for the project, whichever occurs earlier, subject to compliance with all requirements in Chapter 16.60 of the Folsom Municipal Code.

BE IT FURTHER RESOLVED that no Certificate of Occupancy shall be issued for the Parkway Apartment Community project until all development impact fees deferred by this Resolution have been paid in full.

PASSED AND ADOPTED this 9th day of June 2020, by the following roll-call vote:

- AYES:** Council Member(s):
- NOES:** Council Member(s):
- ABSENT:** Council Member(s):
- ABSTAIN:** Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK