



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

# Agenda

## City Council Regular Meeting

City Council Chambers | 50 Natoma Street, Folsom CA 95630

November 09, 2021

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 [CityClerkDept@folsom.ca.us](mailto:CityClerkDept@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, <a href="http://www.folsom.ca.us">www.folsom.ca.us</a>	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**



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## City Council Regular Meeting

Folsom City Council Chambers  
50 Natoma Street, Folsom, CA

[www.folsom.ca.us](http://www.folsom.ca.us)

Tuesday, November 09, 2021 6:30 PM

Mike Kozlowski, Mayor

Sarah Aquino, Vice Mayor  
Kerri Howell, Councilmember

YK Chalamcherla, Councilmember  
Rosario Rodriguez, Councilmember

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### REGULAR CITY COUNCIL AGENDA

*Pursuant to Assembly Bill 361 and the Governor's proclamation of a State of Emergency due to the coronavirus (COVID-19) public health emergency, the Folsom City Council, staff, and members of the public may participate in this meeting via teleconference.*

*Members of the public wishing to participate in this meeting via teleconference may email [CityClerkDept@folsom.ca.us](mailto: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.*

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#### **CALL TO ORDER**

#### **ROLL CALL:**

**Councilmembers:** Aquino, Chalamcherla, Howell, Rodriguez, Kozlowski

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.

**SCHEDULED PRESENTATIONS:**

1. Proclamation of the Mayor of the City of Folsom Proclaiming the Month of November as Veterans and Military Families Month in the City of Folsom
2. City Manager's Financial Update for the First Quarter of Fiscal Year 2021-22

**CONSENT CALENDAR:**

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

3. Resolution No. 10738 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 20-052) with Holistic System Integration Solutions for Additional Professional Services for the Implementation of the New TRAKiT Permitting System
4. Resolution No. 10739 - A Resolution Authorizing the City Manager to Execute a Construction Agreement with Allied Construction Services for the Fire Station No. 36 Roof Replacement Project and Appropriation of Funds
5. Resolution No. 10740 – A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford to Purchase Two Ford Trucks for the Parks & Recreation Department and Appropriation of Additional Funds
6. Resolution No. 10741 - A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Solitude Lake Management for the American River Canyon North Waterfall Rehabilitation Project
7. Resolution No. 10742 - A Resolution Authorizing the City Manager to Execute Program Supplement Agreement F029 Rev. 1 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans for the Empire Ranch Interchange US-50 at Empire Ranch Road Project, Federal Project No. 5288(043), Project No. PW1804 and Appropriation of Funds
8. Resolution No. 10743 – A Resolution Authorizing the City Manager to Execute an Agreement with Water Systems Optimization, Inc. to Complete the Water Distribution System Leak and Loss Detection Survey
9. Resolution No. 10745 - A Resolution Accepting a Grant from the South Coast Air Quality Management District for the Replacement of Two Diesel Refuse Trucks with Two Zero Emission Electric Refuse Trucks
10. Resolution No. 10746 – A Resolution Authorizing the City Manager to Execute an Agreement with Bennett Engineering Services Inc. for Design Services for the Basin 4 Sewer Phase 1 Project
11. Resolution No. 10750 - A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford to Purchase Eight Ford Pickup Trucks for the Public Works Department and the Environmental and Water Resources Department

**NEW BUSINESS:**

12. Appointment of At-Large Utility Commissioner
13. City of Folsom Community Facilities District No. 23 (Folsom Ranch) Amended Improvement Area No. 3 and Improvement Area No. 7
  - i. Resolution No. 10747 - A Resolution of Consideration of the City Council of the City of Folsom to (1) Amend the Boundaries of Improvement Area No. 3 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch); (2) Amend the Rate and Method of Apportionment for

Improvement Area No. 3 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch), and (3) Amend the Appropriations Limit and the Maximum Bonded Indebtedness and Related Matters

ii. Resolution No. 10748 - A Resolution of the City Council of the City of Folsom Approving a Proposed Boundary Map and Designating Improvement Area No. 7 within the “City of Folsom Community Facilities District No. 23 (Folsom Ranch)” and to Levy Special Taxes therein

iii. Resolution No. 10749 - A Resolution of the City Council of the City of Folsom Declaring the Necessity for Incurring Bonded Indebtedness in and for Improvement Area No. 7 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) and Calling for a Public Hearing thereon

14. Resolution No. 10744 – A Resolution Authorizing the City Manager to Execute a Fiber Networks Installation Agreement with SiFi Networks Folsom LLC for the Installation of a Fiber Optic Network in the City of Folsom
15. Ordinance No. 1318 - An Ordinance of the City of Folsom Amending Section 10.20.510 of the Folsom Municipal Code to Increase Parking Penalty in Certain Areas of the Historic District (Introduction and First Reading)
16. Ordinance No. 1319 - An Ordinance of the City of Folsom Amending Section 3.20.040 of the Folsom Municipal Code Pertaining to Responsible Parties for Municipal Services (Introduction and First Reading)
17. Ordinance No. 1320 – An Ordinance of the City of Folsom Repealing and Replacing the Garbage Collection Ordinance as Set Forth in Chapter 8.32 of the Folsom Municipal Code to Incorporate New State Law Mandates (Introduction and First Reading)

#### **CITY MANAGER REPORTS:**

#### **COUNCIL COMMENTS:**

#### **ADJOURNMENT**

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***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](http://www.folsom.ca.us).*

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*Any documents produced by the City and distributed to the City Council regarding any item on this agenda will be made available at the City Clerk's Counter at City Hall located at 50 Natoma Street, Folsom, California and at the Folsom Public Library located at 411 Stafford Street, Folsom, California during normal business hours.*

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**PROCLAMATION**  
**OF THE MAYOR OF THE CITY OF FOLSOM**  
**DECLARING THE MONTH OF NOVEMBER**  
**as**  
**VETERAN AND MILITARY FAMILIES MONTH**  
**IN THE CITY OF FOLSOM**

**WHEREAS**, the United States is a beacon of hope, freedom, and opportunity to people around the world and the Soldiers, Sailors, Airmen, Marines, and Coast Guard members who fight to defend our liberty embody courage, patriotism and loyalty; and

**WHEREAS**, America's military men and women and their families are vital to the security and prosperity of our Nation, we have a responsibility to protect and serve those who have made countless sacrifices for love of country; and

**WHEREAS**, throughout our Nation's history, our military men and women have boldly answered the call of duty to defend our nation's independence and precious liberties, risking life and limb for their fellow Americans; and

**WHEREAS**, military families exemplify the courage and resolve that define our national character, they rise to the challenges of multiple deployments and frequent moves—spouses who care and provide for children in their partner's absence, kids who make new friends and leave known comforts behind. They are the force behind the force, patriots who support their family members in uniform while enriching the communities they call home; and

**WHEREAS**, since we are a Nation that leaves no American behind and that includes our veterans and their family members, we recognize that our obligation to our military men and women does not end after their time in uniform; and

**WHEREAS**, each warrior who fights for our Nation, along with their families, has earned our eternal gratitude, we ask that all Americans thank and support them. Together, we remain committed to fostering a national community of support for these brave heroes and their families; and

**NOW, THEREFORE, I, Michael D. Kozlowski**, Mayor of the City of Folsom, on behalf of the Folsom City Council and the Folsom community, do hereby proclaim the month of November as **Veteran and Military Family Month**. I urge each individual in the community to thank and support Veterans and military families for their contributions to our Nation.

**PROCLAIMED this 9<sup>th</sup> day of November 2021.**

Attest:

\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

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## Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	Scheduled Presentations
<b>SUBJECT:</b>	City Manager's Financial Update for the First Quarter of Fiscal Year 2021-22
<b>FROM:</b>	Finance Department

### **RECOMMENDATION / CITY COUNCIL ACTION**

It is recommended that the City Council receive and file the City Manager's Financial Update for the First Quarter of Fiscal Year 2021-22.

### **BACKGROUND / ISSUE**

Section 5.05R of the Charter of the City of Folsom requires the City Manager submit to the City Council a financial and management report showing the relationship between budgeted and actual revenues, and expenditures and encumbrances on a quarterly basis.

This Quarterly Financial Update is an analysis of the unaudited financial status of the City's major funds for the first quarter of Fiscal Year (FY) 2021-22, covering the three-month period from July 2021 through September 2021. This report is a modified version of previous quarterly reports. We do not usually provide a first quarter report, due to lack of available data this early in the fiscal year, however, considering the evolving financial impacts of COVID-19 we wanted to report to the council as early as possible.

### **POLICY / RULE**

Section 5.05R of the Charter of the City of Folsom requires the City Manager submit to the City Council a financial and management report showing the relationship between budgeted and actual revenues, and expenditures and encumbrances on a quarterly basis.



Section 3.02.050 (b) of the Folsom Municipal Code states “... within 30 days after the end of each quarter during the fiscal year, and more often if required by the City Council, the City Manager shall submit to the City Council a financial and management report.”

**ANALYSIS**

Unemployment as of September 2021 was 6.4% and 6.1% in California and Sacramento County respectively and in Folsom the unemployment rate was 3.9%. The table below shows the unemployment rate over the last three years to illustrate the effects of the pandemic on employment and the ongoing recovery.

<b>Unemployment Rate</b>			
<b>September of each year</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
California	6.4	10.7	3.5
Sacramento County	6.1	9.6	3.1
Folsom	3.9	6.1	2.3

For FY 2022, the General Fund is projected to end the year with an unassigned fund balance of \$20.84 million. As a comparison, the unassigned fund balance in FY 2020 was \$13.78 million (audited) and in FY 2021 it is currently estimated to be \$19.70 million (unaudited and currently incomplete). The percentage of unrestricted fund balance to expenditures is projected at 21.04% (FY 2022) and an estimated 21.93% in FY 2021 and both years would be an increase from the FY 2020 amount of 14.4%. Fiscal Year 2021-22 projected revenues of \$99.81 million is an increase of \$4.99 million or 4.49% over the estimated FY 2021 revenues of \$95.52 million. The increase is mostly due to increases in property tax, sales tax, charges for services and intergovernmental revenues. Projected expenditures of \$99.05 million is an increase of \$9.23 million or 10.28% from the estimated FY 2021 expenditures of \$89.82 million.

The FY 2022 projected revenue increase over appropriated revenues of \$92.52 million is seen mostly in charges for services, intergovernmental revenue and sales tax. Property tax is not received in the first quarter, however, the projection for fiscal yearend is estimated to be \$32.99 million, an increase of \$500,000 from the appropriated amount, and an increase of \$1.74 million from FY 2021 (5.56%). A comparison of home sales during the first quarter of FY 2022 and FY 2021 shows the number of homes sold decreased by 61 or 19.87%. The average median sales price through the first quarter of FY 2022 was \$728,333 which is an increase of 20.58% over fiscal year 2021.

Sales tax is projected to end the fiscal year at \$26.50 million, an increase of \$1.95 million over the budgeted amount of \$24.55 million (7.93%). In comparison to FY 2021 sales tax receipts are projected to increase by approximately \$651,000 or 2.52%. The FY 2021 amount was \$25.85 million.

Through the first quarter, charges for services were \$2.76 million and the current projection for the end of Fiscal Year 2022 is \$12.63 million. The projection of \$12.63 million is an



increase from the budgeted amount of \$9.95 million and a decrease of \$1.33 million from the estimated Fiscal Year 2021 amount. The increase over the budgeted amount is mostly in Parks and Recreation charges of \$1.53 million, development charges of \$400,000 and charges in Police and Fire of \$750,000. Charges in the Public Safety Departments are estimated reimbursements from the California Office of Emergency Services (CalOES) for wildfire strike teams. The decrease in Charges for Services when compared to the prior fiscal year is in development charges of approximately \$1.00 million, Fire Department charges of approximately \$500,000 and other charges of approximately \$500,000. The reduction in development fees is reflective of a slight slowing in building activity which may rebound by the end of the fiscal year. The reduction in the Fire Department is a reduction of the reimbursement from CalOES and should also be reflected in a reduction in overtime expenses when compared to the prior fiscal year.

The FY 2022 projected expenditures are \$99.05 million, \$6.52 million (7.05%) more than the appropriated amount (\$92.52 million). The projected expenditures include increases in salaries of \$3.35 million, a decrease in benefits of \$210,000, an increase in contracts of \$3.23 million and an increase in capital outlay of \$90,000. The projected increase in salaries is in the Police Department (\$1.18 million), the Fire Department (\$2.2 million) and Parks and Recreation (\$180,000). The salary increases in the public safety departments will be partially offset by reimbursements for overtime due to wildfires (Police \$490,000, Fire \$480,000). The salary increase in Parks and Recreation is mainly due to increased temporary salaries as programs reopened. The increase to capital outlay is a cost carry over for renovations at the Aquatic Center.

The Solid Waste, Water and Wastewater Utility Operating Funds are all projected to end the fiscal year with operating revenues exceeding operating expenses. Net assets in all three funds are projected to decrease once capital expenses are included. In the case of Water and Wastewater, the capital outlay is for capital projects and in Solid Waste it is the purchase of replacement vehicles. A comparison of the current fiscal year end projection to FY 2021 expenses and revenues shows charges for service revenues in Water are currently projected to increase by \$170,000 (0.94%) and operating expenses are projected to increase by \$946,000 (8.23%). Wastewater Operating charges for services revenues are projected to increase by \$120,300 (1.41%) and operating expenses are projected to increase by \$751,000 (14.82%). Solid Waste Operating charges for services revenues are projected to increase by \$1.11 million (7.09%) and operating expenses are projected to increase by \$1.52 million (11.30%). Increases in expenses are mainly due to employee and contract costs.

Expenses for capital improvements are currently projected to increase across all three proprietary funds due to budgeted project and vehicle replacement costs.

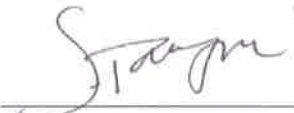
The negative cash balance in the Trail Grant Fund ended the first quarter at a negative \$160,700. The negative cash balance at the end of FY 2021 was \$1.14 million. In August 2021 the grant reimbursement for the Oak Parkway Trail Undercrossing project was received in the amount of \$985,000.

The Compensated Leaves Fund is estimated to end Fiscal Year 2022 with an unrestricted fund balance of \$57,527. The current projection is for the unrestricted fund balance to remain the same as the projection for Fiscal Year 2021.

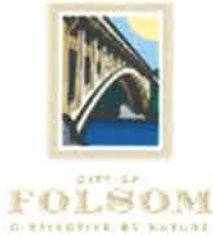
Submitted,



Elaine Andersen  
City Manager



Stacey Tamagni  
Finance Director/CFO



## Folsom City Council Staff Report



<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10738 – A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 20-052) with Holistic System Integration Solutions for Additional Professional Services for the Implementation of the New TRAKiT Permitting System
<b>FROM:</b>	Community Development Department

**RECOMMENDATION / CITY COUNCIL ACTION**

Staff respectfully requests that the City Council approve Resolution No. 10738 – A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 20-052) with Holistic System Integration Solutions for Additional Professional Services for the Implementation of the New Development Permitting System.

**BACKGROUND / ISSUE**

Due to delays from the software vendor, Central Square Technologies, the launch of the City’s new online development processing and permitting system called Community Development or ComDev (formerly called TRAKiT) has been delayed until at least the end of the year. As a result, the City needs to extend its contract with Holistic System Integration Solutions (HSIS) to cover this additional period since the original launch date was October 18<sup>th</sup>. HSIS has provided essential expertise assisting Community Development Department staff with the setup and configuration of ComDev beyond the basic instructions provided by the vendor. ComDev is the new online development processing and permitting system that will allow for customers to conduct all development application, processing, and payment activities online. The cost of the amendment, would be in the amount of \$15,000 with a recommended contingency of \$5,000. The cost of the contract amendment and contingency will be covered by State grants. This will bring the total contract amount from \$50,000 to \$65,000 with the budget for the contract increased to \$70,000.

**Table 1  
Description of Additional Services**

<b>Services</b>	<b>Description</b>	<b>Fee</b>
Advisory Services	On-going advisory services to CDD staff for the configuration and test of the ComDev system as well as preparation of permits and reports in SSRS format (3 additional months)	\$15,000
Contingency		\$5,000
<b>Total Cost</b>		<b>\$20,000.00</b>

All the cost of Amendment 1 including the contingency will be covered by the two grants the City received from the State Housing and Community Development (HCD) Department under Senate Bill 2, the Planning Grant Program (PGP) and the Local Early Action Planning (LEAP) grant program. The goal of both grant programs is to provide funding to jurisdictions to improve their development processes and encourage the production of housing in California given the ongoing housing crisis.

**POLICY / RULE**

Pursuant to Section 2.36.080 of the Folsom Municipal Code, contracts for services exceeding the City Manager’s contracting authority shall be awarded by the City Council. In this case, even though the original contract was \$50,000 and was within the City Manager’s contracting authority, the increase from Amendment 1 results in a total contract amount that exceeds the City Manager’s contracting limit of \$62,657. Therefore, this amendment requires approval by the City Council.

**ANALYSIS**

Due to delays from the City’s software vendor, the City’s launch date for the new development processing and permit tracking software has been delayed until at least the end of the year. Angelica Zarco of Holistic System Integration Solutions, Inc. has been assisting City Community Development Department (CDD) staff with the detailed set up, configuration, testing and troubleshooting of the new software. The advisory services being provided by Holistic System Integration Solutions are critical to the successful operation of the new ComDev permitting software as she has been able to provide staff with a level of instructions that is above and beyond the basic information and instructions provided by the vendor.

In addition to providing advisory services, HSIS will also prepare specialized permit and reports for the system using SQL Server Reporting Services (SSRS). City staff do not have this skill and these permits and reports in SSRS format are necessary for the permitting system to work correctly. As noted earlier, the total cost of the amendment will be covered by State grant funds. No City funds will be used.

City staff is recommending a \$5,000 contingency to ensure that if additional support and services are needed by staff or customers that those services will be available after launch of the new software without delay.

**FINANCIAL IMPACT**

This Council action will approve the amendment with Holistic System Integration Solutions in the amount of \$15,000 for the advisory services and permit/report preparation for the ComDev development project and permit tracking system for a grand total of \$65,000 plus a contingency of \$5,000. These costs will be covered by State grants that the Community Development Department received in Fiscal Year 2021. No City funds are required.

**ENVIRONMENTAL REVIEW**

The execution of an amendment to an existing contract for additional advisory services for the configuration of the ComDev development project and permitting software is not considered a project under the California Environment Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3). As a result, this action is exempt from environmental review.

**ATTACHMENTS**

1. Resolution No. 10738 – A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 20-052) with Holistic System Integration Solutions for Additional Professional Services for the Implementation of the New TRAKiT Permitting System

Submitted,



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Pam Johns, Community Development Director

**RESOLUTION NO. 10738**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO  
EXECUTE AMENDMENT NO. 1 TO THE AGREEMENT  
(CONTRACT NO. 173-21 20-052) WITH HOLISTIC SYSTEM  
INTEGRATION SOLUTIONS FOR ADDITIONAL PROFESSIONAL  
SERVICES FOR THE IMPLEMENTATION OF THE NEW TRAKIT  
PERMITTING SYSTEM**

**WHEREAS**, the City Council approved a Software License and Services Agreement and several subsequent amendments with Central Square Technologies (formerly known as SunGard Public Sector Inc. and then later Superior LLC) to provide development processing and permitting software for the Community Development Department;

**WHEREAS**, on December 8, 2020, the City Manager executed a Consultant and Professional Services Agreement with Holistic Systems Integration Solutions in the amount of \$50,000 to provide supplemental advisory services associated with the configuration, testing, training, and troubleshooting of the new Community Development or ComDev software, formerly known as TRAKiT;

**WHEREAS**, Holistic Systems Integration Solutions has extensive experience with the successful configuration and launch of ComDev software for multiple jurisdictions; and

**WHEREAS**, in September 2021, City staff received notice that the original launch date of October 18, 2021 would not be achieved and would be rescheduled to at least the end of the year, which was beyond the original timeframe envisioned in the agreement with Holistic Systems Integration Solutions; and

**WHEREAS**, on April 9, 2019, in Resolution No. 10269 the Council authorized the Community Development Department to apply for \$310,000 in Senate Bill 2 – Planning Grant Program (PGP) grant funds from the State Department of Housing and Community Development (HCD) and on February 8, 2020, the City executed an agreement with HCD for the grant funds; and

**WHEREAS**, on April 28, 2020, in Resolution No. 10424 the Council authorized the Community Development Department to apply for \$300,000 in Local Early Action Planning (LEAP) grant funds from HCD and on December 28, 2020, the City executed an agreement with HCD for the grant funds; and

**WHEREAS**, the improvements to the City’s new development permitting software and the consultant advisory services associated with the configuration of the software are eligible expenses under the terms of the PGP and LEAP grants; and

**WHEREAS**, approval of the amendment to the agreement and the allocation of funding is exempt from the California Environmental Quality Act (CEQA).



**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom:

1. Authorizes the City Manager or her designee to execute Amendment No. 1 to the Consultant and Professional Services Agreement with Holistic Systems Integration Solutions in the amount of \$15,000 for a total agreement of \$65,000.
2. Authorizes the City Manager or her designee to establish a contingency of \$5,000.
3. Authorizes the City Manager to use the PGP and LEAP grant funds for the costs associated with Amendment No. 1 and the contingency.

**PASSED AND ADOPTED** on this 9th day of November 2021, by the following roll-call vote:

**AYES:** Councilmember(s)

**NOES:** Councilmember(s)

**ABSENT:** Councilmember(s)

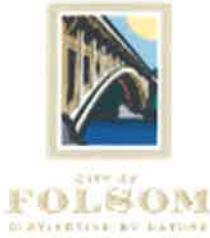
**ABSTAIN:** Councilmember(s)

ATTEST:

\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

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# Folsom City Council Staff Report



<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10739 - A Resolution authorizing the City Manager to execute a construction agreement with Allied Construction Services for the Fire Station No. 36 Roof Replacement Project and Appropriation of Funds
<b>FROM:</b>	Public Works Department

### RECOMMENDATION / CITY COUNCIL ACTION

The Fire Department recommends that the City Council pass and adopt Resolution No. 10739 – A Resolution authorizing the City Manager to execute a construction agreement with Allied Construction Services for the Fire Station No. 36 Roof Replacement Project and Appropriation of Funds.

### BACKGROUND / ISSUE

Constructed in 1986, Fire Station No. 36 serves the northern region of the City of Folsom. Except for previous minor repairs, the existing roof has served for 35 years and has been leaking in several locations for the last few years. To maximize and continue utilizing the current building, a new roof is needed to protect the structure from dry rot conditions due to water damage. A metal roof has been specified and designed for consistency with the other Fire Stations in Folsom.

### POLICY / RULE

Section 2.36.080, Award of Contracts of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of \$62,657 or greater shall be awarded by City Council.

**ANALYSIS**

Public Works staff prepared the bid package, and the project was publicly advertised on September 17, 2021. Bids were opened on October 7, 2021, with the following submissions received:

1. Allied Construction Services	\$ 199,837
2. MCM Roofing Co., Inc.	\$ 288,000
3. D. K. Enterprises, Inc. DBA Kings Roofing	\$ 367,765

The engineer's estimate for this project was \$150,000.

**FINANCIAL IMPACT**

The contract with Allied Construction Services would be authorized for \$199,837 with a total project budget of \$219,821, which includes a ten percent contingency of \$19,984 for potential unseen repairs after roof removal.

The Fiscal Year 2021-22 General Fund Operating Budget included the repairs at \$125,000. Staff is requesting an additional appropriation of \$94,821 which would utilize the General Fund contingency that was included in the General Fund Operating Budget in Fiscal Year 2021-22 to fully fund the project.

**ENVIRONMENTAL REVIEW**

This action is not considered a project under Section 15061(b)(3) of the California Environmental Quality Act Guidelines, and as such is exempt from environmental review.

**ATTACHMENT**

1. Resolution No. 10739 – A Resolution authorizing the City Manager to execute a construction agreement with Allied Construction Services for the Fire Station No. 36 Roof Replacement Project and Appropriation of Funds

Submitted,

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Ken Cusano, Fire Chief

**RESOLUTION NO. 10739**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION AGREEMENT WITH ALLIED CONSTRUCTION SERVICES FOR THE FIRE STATION NO. 36 ROOF REPLACEMENT PROJECT AND APPROPRIATION OF FUNDS**

**WHEREAS**, the City of Folsom desires to replace the roof on Fire Station 36; and

**WHEREAS**, this project was publicly advertised on September 17, 2021, and the bids were received on October 7, 2021, with Allied Construction Services being the lowest responsible bidder; and

**WHEREAS**, the agreement with Allied Construction Services would be executed in the amount of \$199,837; and

**WHEREAS**, the project budget would include a ten percent contingency in the amount of \$19,984 for a total project budget of \$219,821; and

**WHEREAS**, funds in the amount of \$125,000 was included in the Fire Department Operating Budget in Fiscal Year 2021-22; and

**WHEREAS**, an additional appropriation in the amount of \$94,821 will be needed for this project; 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 construction agreement with Allied Construction Services in the amount of \$199,837 for the Fire Station No. 36 Roof Replacement Project.

**BE IT FURTHER RESOLVED** that the Finance Director is authorized to appropriate \$94,821 from the General Fund (Fund 010) contingency in Fiscal Year 2021-22 to the Fire Department Operating Budget for the Fire Station No. 36 Roof Replacement Project for a total project budget of \$219,821.

**PASSED AND ADOPTED** this 9<sup>th</sup> day of November 2021, by the following roll-call vote:

- AYES: Councilmember(s):
- NOES: Councilmember(s):
- ABSENT: Councilmember(s):
- ABSTAIN: Councilmember(s):

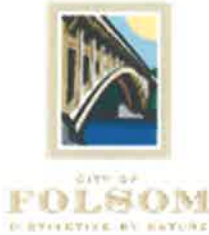
\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

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## Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10740 – A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford to Purchase Two Ford Trucks for the Parks & Recreation Department and Appropriation of Additional Funds
<b>FROM:</b>	Parks and Recreation Department

### **RECOMMENDATION / CITY COUNCIL ACTION**

The Parks & Recreation Department recommends that the City Council pass and adopt Resolution No. 10740 - A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford to Purchase Two Ford Trucks for the Parks & Recreation Department and Appropriation of Additional Funds.

### **BACKGROUND / ISSUE**

On May 25, 2021, The City Council appropriated \$100,000 for the purchase of two trucks for the Parks and Recreation Department in the General Fund.

### **POLICY / RULE**

Section 2.36.120 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services and construction with an estimated value of \$62,657 or greater shall be awarded by the City Council.

### **ANALYSIS**

Nationwide, the supply of vehicles is limited, and the price of the vehicles has been steadily increasing over the last several months. Staff received three bids for the trucks with the lowest bid received at \$59,994.25 per truck from Folsom Lake Ford. While this is higher than

anticipated, we expect that these costs will continue to rise and recommend that we move forward with the purchase of the two vehicles.

The vehicles are needed to replace an aging vehicle in the Facilities division that is no longer reliable as well as to obtain a properly outfitted vehicle for park maintenance staff assigned to irrigation. Three quotes were obtained from local Ford dealerships with the lowest bid received coming from Folsom Lake Ford in the amount of \$59,994.25 which includes both tax and tire fees.

### **FINANCIAL IMPACT**

A total of \$100,000 has already been appropriated in the Fiscal Year 2021-22 Parks & Recreation Operating budget to purchase the two trucks. The Facility Services division is able to absorb the additional \$9,994.25 for one vehicle, however an additional appropriation will be needed for the Parks Maintenance vehicle. Staff is proposing to appropriate the additional \$9,994.25 from the General Park Equipment Fund (Fund 452). The appropriation will be as an increase to expenditures in the General Fund and a transfer of revenue from the General Park Equipment Fund. The increased appropriation in the General Park Equipment Fund would come from available fund balance.

There are sufficient funds available in the Fiscal Year 2021-22 Parks & Recreation Operating Fund (Fund 010) to absorb the increase for one vehicle as well as the additional appropriation in the General Park Equipment Fund (Fund 452) for the second vehicle.

### **ENVIRONMENTAL REVIEW**

This purchase is exempt from environmental review under the California Environmental Quality Act (CEQA).

### **ATTACHMENTS**

1. Resolution No. 10740 - A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford to Purchase Two Ford Trucks for the Parks & Recreation Department and Appropriation of Additional Funds

Submitted,

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Lorraine Poggione,  
Parks and Recreation Director

**RESOLUTION NO. 10740**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH FOLSOM LAKE FORD TO PURCHASE TWO FORD TRUCKS FOR THE PARKS & RECREATION DEPARTMENT AND APPROPRIATION OF ADDITIONAL FUNDS**

**WHEREAS**, on May 25, 2021, City Council appropriated \$100,000 to replace two vehicles for Parks and Recreation; and

**WHEREAS**, three quotes were obtained and the lowest cost for each vehicle is \$59,994.25 at Folsom Lake Ford, requiring an additional appropriation of \$9,994.25 for one vehicle; and

**WHEREAS**, sufficient funds are available in the Fiscal Year 2021-22 Parks and Recreation General Operating Fund (Fund 010) Budget for the Facilities division vehicle and additional appropriation will be required for the second vehicle.; and

**WHEREAS**, staff is requesting an additional appropriation from the General Park Equipment Fund (Fund 452) as a transfer to the General Fund (Fund 010) in the amount of \$9,994.25.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Folsom that the City Manager is hereby authorized to execute an agreement, in a form acceptable to the City Attorney, with Folsom Lake Ford to purchase two Ford trucks for the Parks & Recreation Department in a not-to-exceed amount of \$119,988.50.

**BE IT FURTHER RESOLVED** that the Finance Director is authorized to appropriate an additional \$9,994.25 from the General Park Equipment Fund (Fund 452) as a transfer to the General Fund (Fund 010) to be used for a replacement truck for the Parks Maintenance division.

**PASSED AND ADOPTED** this 9<sup>th</sup> day of November, 2021 by the following roll-call vote:

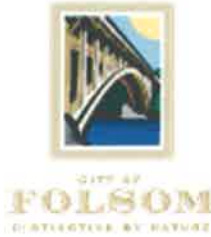
- AYES:** Councilmember(s):
- NOES:** Councilmember(s):
- ABSENT:** Councilmember(s):
- ABSTAIN:** Councilmember(s):

\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

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Christa Freemantle, CITY CLERK



## Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10741 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Solitude Lake Management for the American River Canyon North Waterfall Rehabilitation Project
<b>FROM:</b>	Parks and Recreation Department

**RECOMMENDATION / CITY COUNCIL ACTION**

Staff recommends the City Council approve Resolution No. 10741 - A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Solitude Lake Management for the American River Canyon North Waterfall Rehabilitation Project

**BACKGROUND / ISSUE**

The waterfall at American River Canyon North (ARCN) is managed under the ARCN Landscaping and Lighting District. The waterfall was constructed as part of the original improvements to the district over 30 years ago. Over the past several years, the waterfall has had multiple operational and mechanical issues. Such issues range from an inoperable filtration system and an undersized chlorine erosion feeder, to more significant items such as having a failed liner in the upper basin that is contributing to inefficient water-use and circulation. In the past, the city has utilized the existing waterfall maintenance contractor on an as-needed basis to assist with minor repairs and troubleshooting. Due to the scale and magnitude of repairs, staff initiated a Request for Qualification (RFQ) process to seek out the appropriate professional services to assist with the repairs and mechanical evaluations.

**POLICY / RULE**

In accordance with Chapter 2.36.090 (A)(1) and 2.36.120 of the Folsom Municipal Code, professional services are not subject to competitive sealed bidding requirements, and those costing \$62,657 or greater shall be awarded by City Council.

**ANALYSIS**

On August 24, 2021, the Parks and Recreation Department advertised a Request for Qualifications for the American River Canyon North Waterfall Rehabilitation. The RFQ was posted on CIPList.com as well as distributed to firms that had previously expressed interest in the RFQ. On September 7<sup>th</sup> there was a pre-proposal meeting on site to give interested firms access to all areas of the water feature and ask staff any questions they might have. The responses were due to the City on September 16, 2021. An internal review team was assembled of Parks and Recreation Staff. The criteria for ranking the qualifications were based on the following areas: experience with similar kinds of work, materials to be utilized, foresight for additional work, their proximity to the site, and ability to maintain insurance. Three responses were received. Firms with scores of at least 85 out of 100 would advance to the interview process. After reviewing the provided responses and compiling their scores Solitude Lake Management was the only firm that had a passing score. In the interview they further demonstrated their qualification based on their responses to our questions, expertise, and experience with similar projects. The scoring breakdown has been included below:

	Solitude Lake Management	Water Works	California Waters
Experience	20	13.3	13.3
Materials	29.3	28	11.6
Extra work	26	15	11.6
Proximity	8	4.6	9.6
Insurance	10	9.3	10
<b>Total</b>	<b>93.3</b>	<b>70.2</b>	<b>56.1</b>

### **FINANCIAL IMPACT**

The agreement will be for a not-to-exceed amount of \$250,000 and will be funded through the American River Canyon North Landscaping and Lighting District (Fund 266) and funding is currently available in that District.

### **ATTACHMENT**

Resolution No. 10741 - A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Solitude Lake Management for the American River Canyon North Waterfall Rehabilitation Project

Submitted,

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Lorraine Poggione,  
Parks & Recreation Director



**RESOLUTION NO. 10741**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH SOLITUDE LAKE MANAGEMENT FOR THE AMERICAN RIVER CANYON NORTH WATERFALL REHABILITATION PROJECT**

**WHEREAS**, the City of Folsom desires to award a consultant service agreement for an initial period beginning December 1, 2021 through December 1, 2022, for professional services associated with various repairs and mechanical evaluations needed for the American River Canyon Waterfall; and

**WHEREAS**, Requests for Qualifications were solicited in accordance with Folsom Municipal Code Section 2.36.090 (A)(1) and advertised on August 24, 2021; and

**WHEREAS**, Solitude Lake Management was deemed the most qualified, responsible, and responsive firm for providing the needed services; and

**WHEREAS**, the agreement with Solitude Lake Management will be in the amount of \$250,000; and

**WHEREAS**, the agreement will be in a form acceptable to the City Attorney and includes provisions for canceling the contract if necessary and without cause; and

**WHEREAS**, adequate funding is available in the American River Canyon North Landscaping and Lighting District Fund (Fund 266); and

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom authorizes the City Manager to execute a professional services agreement with Solitude Lake Management for the Rehabilitation of the American River Canyon North Waterfall for a not-to-exceed amount of \$250,000.

**PASSED AND ADOPTED** this 9<sup>th</sup> day of November 2021 by the following roll call vote:

- AYES:** Councilmember(s)
- NOES:** Councilmember(s)
- ABSENT:** Councilmember(s)
- ABSTAIN:** Councilmember(s)

\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

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CITY OF  
**FOLSOM**  
ESTABLISHED BY CHARTER

## Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10742 - A Resolution Authorizing the City Manager to Execute Program Supplement Agreement F029 Rev. 1 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans for the Empire Ranch Interchange US-50 at Empire Ranch Road Project, Federal Project No. 5288(043), Project No. PW1804 and Appropriation of Funds
<b>FROM:</b>	Public Works Department

### **RECOMMENDATION / CITY COUNCIL ACTION**

The Public Works Department recommends that the City Council pass and adopt Resolution No. 10742 - A Resolution Authorizing the City Manager to Execute Program Supplement Agreement F029 Rev. 1 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans for the Empire Ranch Interchange US-50 at Empire Ranch Road Project, Federal Project No. 5288(043), Project No. PW1804 and Appropriation of Funds.

### **BACKGROUND / ISSUE**

The City first began work on the Empire Ranch interchange in 2007/2008, completing much of the preliminary design and environmental clearance using Federal funds. Work on the project was halted though, when the City shifted their design and funding priorities to the Folsom Lake Crossing Project. In 2016, staff was informed by Caltrans that \$1,295,856 in federal funds left over from the prior work on this interchange had been made available for the City's use. The City executed Program Supplement Agreement F029 with Caltrans to receive the available federal funding.

In November 2017, Council passed and adopted Resolution No. 10039, authorizing the City Manger to execute a consultant services agreement with Drake, Haglan & Associates to prepare the project authorization and environmental documentation for the project and for an

appropriation of funds for a not-to-exceed amount of \$1,308,950. Work associated with that agreement is ongoing and reimbursements in the amount of \$868,421.14 from Caltrans have been received to date.

Additional federal funding in the amount of \$2,500,000 has been made available for the next phase of project design through a grant awarded in 2021 by the Sacramento Area Council of Governments. A revision to the previously executed Program Supplement Agreement with Caltrans is required for the City to be reimbursed with the available federal funds.

Staff will return to Council after the RFP process and consultant selection for the next phase of project design.

### **POLICY / RULE**

Execution of an Administering Agency-State Agreement and or Program Supplement Agreement requires City Council approval.

### **ANALYSIS**

The City of Folsom is required to execute the Program Supplement Agreement Revision with Caltrans Local Assistance to proceed with the next phase of project design. The City must invoice Caltrans in order to receive any Federal or State reimbursement. Prior to invoicing Caltrans, the City must approve a Program Supplement Agreement Revision for the Empire Ranch Interchange US-50 at Empire Ranch Road Project. The Program Supplement Agreement is a Caltrans standard form that has previously been approved by the City Attorney for other projects, including:

- Folsom Boulevard Improvements
- Historic Folsom Station Phase I project
- Street Repair and Resurfacing Project – 2005, Phase I
- Street Repair and Resurfacing Project – 2004, Phase II
- Folsom/El Dorado Transit Corridor Study
- Rainbow Bridge Rehabilitation
- Riley Street Extension
- Folsom/Auburn Road Widening Projects
- Green Valley Road Widening

### **FINANCIAL IMPACT**

The Empire Ranch Road Interchange Project was included in the Fiscal Year 2021-22 budget for \$50,000 utilizing Transportation Improvement Funds (Fund 446). This project will require an appropriation in the amount of \$2,500,000, all of which would be eligible for reimbursement by the aforementioned Federal funds. Normally, these Federal funds require a local match, but Caltrans has authorized the City to utilize toll credits in lieu of a local match requirement. Staff requests an appropriation in the amount of \$2,500,000 from the Transportation Improvement

Fund (Fund 446) to the Empire Ranch Interchange Project (Project No. PW1804) for a total project budget of \$3,808,950.

**ENVIRONMENTAL REVIEW**

Part of this project's scope of services is to perform a California Environmental Quality Act (CEQA) environmental review, which could clear the project for construction. Staff will seek City Council certification of the environmental document at a later date.

**ATTACHMENTS**

1. Resolution No. 10742 - A Resolution Authorizing the City Manager to Execute Program Supplement Agreement F029 Rev. 1 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans for the Empire Ranch Interchange US-50 at Empire Ranch Road Project, Federal Project No. 5288(043), Project No. PW1804 and Appropriation of Funds
2. Program Supplement No. F029 Rev. 1 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15

Submitted,



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Mark Rackovan, PUBLIC WORKS DIRECTOR

# Attachment 1

**RESOLUTION NO. 10742**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE PROGRAM SUPPLEMENT AGREEMENT F029 REV. 1 TO ADMINISTERING AGENCY-STATE AGREEMENT FOR FEDERAL-AID PROJECTS NO. 03-5288F15 WITH CALTRANS FOR THE EMPIRE RANCH INTERCHANGE US-50 AT EMPIRE RANCH ROAD PROJECT, FEDERAL PROJECT NO. 5288(043), PROJECT NO. PW 1804, AND APPROPRIATION OF FUNDS**

**WHEREAS**, the City of Folsom desires to continue preliminary engineering, right-of-way and environmental documentation for the freeway interchange on US Highway 50 at Empire Ranch Road (US-50/Empire Ranch Interchange); and

**WHEREAS**, the City of Folsom previously executed Master Agreement No. 03-5288 for Federal-Funded Projects with the State of California Department of Transportation in order to receive funding; and

**WHEREAS**, the City of Folsom previously executed Program Supplement Agreement F029 to Administering Agency-State Agreements for Federal-Aid Projects No. 03-5288F15 with Caltrans for Federal Project No. 5288(043) to receive \$1,295,856; and

**WHEREAS**, the City of Folsom will execute Program Supplement Agreement F029 Rev.1 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans for Federal Project No. 5288(043) to receive \$2,500,000; and

**WHEREAS**, staff will come back to City Council after the RFP process and consultant selection for the next phase of project design; and

**WHEREAS**, an appropriation is needed in the amount of \$2,500,000 from the Transportation Improvement Fund (Fund 446); and

**WHEREAS**, funds received will be credited to the Transportation Improvement Fund (Fund 446); 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 Program Supplement Agreement F029 Rev. 1 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans for the Empire Ranch Interchange US-50 at Empire Ranch Road Project, Federal Project No. 5288(043), Project No. PW1804.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the Finance Director is directed to appropriate \$2,500,000 from the Transportation Improvement Fund (Fund 446) to the Empire Ranch Interchange Project, Project No. PW1804 for a total project budget of \$3,808,950.



**PASSED AND ADOPTED** this 9<sup>th</sup> day of November 2021, by the following roll-call vote:

**AYES:** Councilmember(s):  
**NOES:** Councilmember(s):  
**ABSENT:** Councilmember(s):  
**ABSTAIN:** Councilmember(s):

\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

## Attachment 2

PROGRAM SUPPLEMENT NO. F029 Rev. 1  
to  
ADMINISTERING AGENCY-STATE AGREEMENT  
FOR FEDERAL-AID PROJECTS NO 03-5288F15

Adv. Project ID  
0318000300

Date: September 30, 2021  
Location: 03-SAC-50-FOL  
Project Number: HPLULN-5288(043)  
E.A. Number:  
Locode: 5288

This Program Supplement hereby adopts and incorporates the Administering Agency-State Agreement for Federal Aid which was entered into between the Administering Agency and the State on 10/18/2016 and is subject to all the terms and conditions thereof. This Program Supplement is executed in accordance with Article I of the aforementioned Master Agreement under authority of Resolution No. approved by the Administering Agency on (See copy attached).

The Administering Agency further stipulates that as a condition to the payment by the State of any funds derived from sources noted below obligated to this PROJECT, the Administering Agency accepts and will comply with the special covenants or remarks set forth on the following pages.

PROJECT LOCATION: US-50 at Empire Ranch Road

TYPE OF WORK: Construct 4 Lane Interchange

LENGTH: 0.0(MILES)

Estimated Cost	Federal Funds		Matching Funds	
			LOCAL	OTHER
\$3,795,856.00	HY10	\$246,376.00		
	Z920	\$35,130.00		
	Z24E	\$844,596.00	\$0.00	\$0.00
	Z911	\$57,477.00		
	LY10	\$1,049,480.00		
	Z906	\$1,176,179.00		
	Z007	\$140,513.00		
	Z910	\$246,105.00		

CITY OF FOLSOM

STATE OF CALIFORNIA  
Department of Transportation

By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_  
Attest \_\_\_\_\_

By \_\_\_\_\_  
Chief, Office of Project Implementation  
Division of Local Assistance  
Date \_\_\_\_\_

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance:

Accounting Officer  Date 10/5/21 \$3,795,856.00

### SPECIAL COVENANTS OR REMARKS

1. A. The ADMINISTERING AGENCY will advertise, award and administer this project in accordance with the current published Local Assistance Procedures Manual.

B. ADMINISTERING AGENCY agrees that it will only proceed with work authorized for specific phase(s) with an "Authorization to Proceed" and will not proceed with future phase(s) of this project prior to receiving an "Authorization to Proceed" from the STATE for that phase(s) unless no further State or Federal funds are needed for those future phase(s).

C. STATE and ADMINISTERING AGENCY agree that any additional funds which might be made available by future Federal obligations will be encumbered on this PROJECT by use of a STATE-approved "Authorization to Proceed" and Finance Letter. ADMINISTERING AGENCY agrees that Federal funds available for reimbursement will be limited to the amounts obligated by the Federal Highway Administration.

D. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer within 60 days of project contract award and prior to the submittal of the ADMINISTERING AGENCY'S first invoice for the construction contract.

Failure to do so will cause a delay in the State processing invoices for the construction phase. Attention is directed to Section 15.7 "Award Package" of the Local Assistance Procedures Manual.

E. ADMINISTERING AGENCY agrees, as a minimum, to submit invoices at least once every six months commencing after the funds are encumbered for each phase by the execution of this Project Program Supplement Agreement, or by STATE's approval of an applicable Finance Letter. STATE reserves the right to suspend future authorizations/obligations for Federal aid projects, or encumbrances for State funded projects, as well as to suspend invoice payments for any on-going or future project by ADMINISTERING AGENCY if PROJECT costs have not been invoiced by ADMINISTERING AGENCY for a six-month period.

If no costs have been invoiced for a six-month period, ADMINISTERING AGENCY agrees to submit for each phase a written explanation of the absence of PROJECT activity along with target billing date and target billing amount.

ADMINISTERING AGENCY agrees to submit the final report documents that collectively constitute a "Report of Expenditures" within one hundred eighty (180) days of PROJECT completion. Failure of ADMINISTERING AGENCY to submit a "Final Report of Expenditures" within 180 days of PROJECT completion will result in STATE imposing sanctions upon ADMINISTERING AGENCY in accordance with the current Local Assistance Procedures Manual.

### SPECIAL COVENANTS OR REMARKS

F. Administering Agency shall not discriminate on the basis of race, religion, age, disability, color, national origin, or sex in the award and performance of any Federal-assisted contract or in the administration of its DBE Program Implementation Agreement. The Administering Agency shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of Federal-assisted contracts. The Administering Agency's DBE Implementation Agreement is incorporated by reference in this Agreement. Implementation of the DBE Implementation Agreement, including but not limited to timely reporting of DBE commitments and utilization, is a legal obligation and failure to carry out its terms shall be treated as a violation of this Agreement. Upon notification to the Administering Agency of its failure to carry out its DBE Implementation Agreement, the State may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

G. Any State and Federal funds that may have been encumbered for this project are available for disbursement for limited periods of time. For each fund encumbrance the limited period is from the start of the fiscal year that the specific fund was appropriated within the State Budget Act to the applicable fund Reversion Date shown on the State approved project finance letter. Per Government Code Section 16304, all project funds not liquidated within these periods will revert unless an executed Cooperative Work Agreement extending these dates is requested by the ADMINISTERING AGENCY and approved by the California Department of Finance.

ADMINISTERING AGENCY should ensure that invoices are submitted to the District Local Assistance Engineer at least 75 days prior to the applicable fund Reversion Date to avoid the lapse of applicable funds. Pursuant to a directive from the State Controller's Office and the Department of Finance; in order for payment to be made, the last date the District Local Assistance Engineer can forward an invoice for payment to the Department's Local Programs Accounting Office for reimbursable work for funds that are going to revert at the end of a particular fiscal year is May 15th of the particular fiscal year. Notwithstanding the unliquidated sums of project specific State and Federal funding remaining and available to fund project work, any invoice for reimbursement involving applicable funds that is not received by the Department's Local Programs Accounting Office at least 45 days prior to the applicable fixed fund Reversion Date will not be paid. These unexpended funds will be irrevocably reverted by the Department's Division of Accounting on the applicable fund Reversion Date.

H. As a condition for receiving federal-aid highway funds for the PROJECT, the Administering Agency certifies that NO members of the elected board, council, or other key decision makers are on the Federal Government Exclusion List. Exclusions can be found at [www.sam.gov](http://www.sam.gov).

## SPECIAL COVENANTS OR REMARKS

2. A. ADMINISTERING AGENCY shall conform to all State statutes, regulations and procedures (including those set forth in the Local Assistance Procedures Manual and the Local Assistance Program Guidelines, hereafter collectively referred to as "LOCAL ASSISTANCE PROCEDURES") relating to the federal-aid program, all Title 23 Code of Federal Regulation (CFR) and 2 CFR Part 200 federal requirements, and all applicable federal laws, regulations, and policy and procedural or instructional memoranda, unless otherwise specifically waived as designated in the executed project-specific PROGRAM SUPPLEMENT.
- B. Invoices shall be formatted in accordance with LOCAL ASSISTANCE PROCEDURES.
- C. ADMINISTERING AGENCY must have at least one copy of supporting backup documentation for costs incurred and claimed for reimbursement by ADMINISTERING AGENCY. ADMINISTERING AGENCY agrees to submit supporting backup documentation with invoices if requested by State. Acceptable backup documentation includes, but is not limited to, agency's progress payment to the contractors, copies of cancelled checks showing amounts made payable to vendors and contractors, and/or a computerized summary of PROJECT costs.
- D. Indirect Cost Allocation Plan/Indirect Cost Rate Proposals (ICAP/ICRP), Central Service Cost Allocation Plans and related documentation are to be prepared and provided to STATE (Caltrans Audits & Investigations) for review and approval prior to ADMINISTERING AGENCY seeking reimbursement of indirect costs incurred within each fiscal year being claimed for State and federal reimbursement. ICAPs/ICRPs must be prepared in accordance with the requirements set forth in 2 CFR, Part 200, Chapter 5 of the Local Assistance Procedural Manual, and the ICAP/ICRP approval procedures established by STATE.
- E. STATE will withhold the greater of either two (2) percent of the total of all federal funds encumbered for each PROGRAM SUPPLEMENT or \$40,000 until ADMINISTERING AGENCY submits the Final Report of Expenditures for each completed PROGRAM SUPPLEMENT PROJECT.
- F. Payments to ADMINISTERING AGENCY for PROJECT-related travel and subsistence (per diem) expenses of ADMINISTERING AGENCY forces and its contractors and subcontractors claimed for reimbursement or as local match credit shall not exceed rates authorized to be paid rank and file STATE employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced by ADMINISTERING AGENCY are in excess of DPA rates, ADMINISTERING AGENCY is responsible for the cost difference, and any overpayments inadvertently paid by STATE shall be reimbursed to STATE by ADMINISTERING AGENCY on demand within thirty (30) days of such invoice.

### SPECIAL COVENANTS OR REMARKS

G. ADMINISTERING AGENCY agrees to comply with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards.

H. ADMINISTERING AGENCY agrees, and will assure that its contractors and subcontractors will be obligated to agree, that Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual PROJECT cost items.

I. Every sub-recipient receiving PROJECT funds under this AGREEMENT shall comply with 2 CFR, Part 200, 23 CFR, 48 CFR Chapter 1, Part 31, Local Assistance Procedures, Public Contract Code (PCC) 10300-10334 (procurement of goods), PCC 10335-10381 (non-A&E services), and other applicable STATE and FEDERAL regulations.

J. Any PROJECT costs for which ADMINISTERING AGENCY has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, 23 CFR, 48 CFR, Chapter 1, Part 31, and other applicable STATE and FEDERAL regulations, are subject to repayment by ADMINISTERING AGENCY to STATE.

K. STATE reserves the right to conduct technical and financial audits of PROJECT WORK and records and ADMINISTERING AGENCY agrees, and shall require its contractors and subcontractors to agree, to cooperate with STATE by making all appropriate and relevant PROJECT records available for audit and copying as required by the following paragraph:

ADMINISTERING AGENCY, ADMINISTERING AGENCY'S contractors and subcontractors, and STATE shall each maintain and make available for inspection and audit by STATE, the California State Auditor, or any duly authorized representative of STATE or the United States all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts and ADMINISTERING AGENCY shall furnish copies thereof if requested. All of the above referenced parties shall make such AGREEMENT, PROGRAM SUPPLEMENT, and contract materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years from the date of submission of the final expenditure report by the STATE to the FHWA.

L. ADMINISTERING AGENCY, its contractors and subcontractors shall establish and maintain a financial management system and records that properly accumulate and segregate reasonable, allowable, and allocable incurred PROJECT costs and matching funds by line item for the PROJECT. The financial management system



### SPECIAL COVENANTS OR REMARKS

of ADMINISTERING AGENCY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles, enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices set to or paid by STATE.

M. ADMINISTERING AGENCY is required to have an audit in accordance with the Single Audit Act of 2 CFR 200 if it expends \$750,000 or more in Federal Funds in a single fiscal year of the Catalogue of Federal Domestic Assistance.

N. ADMINISTERING AGENCY agrees to include all PROGRAM SUPPLEMENTS adopting the terms of this AGREEMENT in the schedule of projects to be examined in ADMINISTERING AGENCY's annual audit and in the schedule of projects to be examined under its single audit prepared in accordance with 2 CFR, Part 200.

O. ADMINISTERING AGENCY shall not award a non-A&E contract over \$5,000, construction contracts over \$10,000, or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of STATE. Contracts awarded by ADMINISTERING AGENCY, if intended as local match credit, must meet the requirements set forth in this AGREEMENT regarding local match funds.

P. Any subcontract entered into by ADMINISTERING AGENCY as a result of this AGREEMENT shall contain provisions B, C, F, H, I, K, and L under Section 2 of this agreement.

3. In the event that right of way acquisition for or construction of this project of the initial federal authorization for preliminary engineering is not started by the close of the tenth fiscal year following the fiscal year in which the project is authorized, the ADMINISTERING AGENCY shall repay the Federal Highway Administration through Caltrans the sum of Federal funds paid under the terms of this agreement.

4. Appendix E of the Title VI Assurances (US DOT Order 1050.2A)

During the performance of this agreement, the ADMINISTERING AGENCY, ADMINISTERING AGENCY'S contractors and subcontractor, (hereinafter referred to as the "contractor") agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

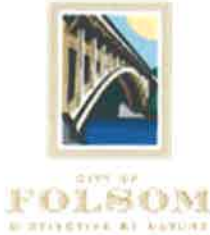
Pertinent Nondiscrimination Authorities:

A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.

B. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of

### SPECIAL COVENANTS OR REMARKS

- 1970, (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- C. Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.), (prohibits discrimination on the basis of sex);
- D. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- E. The Age Discrimination Act of 1975, as amended, (42 U.S.C. 6101 et seq.), (prohibits discrimination on the basis of age);
- F. Airport and Airway Improvement Act of 1982, (49 U.S.C. 4 71, Section 4 7123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- G. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, subrecipients and contractors, whether such programs or activities are Federally funded or not);
- H. Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- I. The Federal Aviation Administration's Nondiscrimination statute (49 U.S.C. 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- J. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- K. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- L. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).



## Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10743 – A Resolution Authorizing the City Manager to Execute an Agreement with Water Systems Optimization, Inc. to Complete the Water Distribution System Leak and Loss Detection Survey
<b>FROM:</b>	Environmental and Water Resources Department

### **RECOMMENDATION / CITY COUNCIL ACTION**

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 10743 - A Resolution Authorizing the City Manager to Execute an Agreement with Water Systems Optimization, Inc. to Complete the Water Distribution System Leak and Loss Detection Survey.

### **BACKGROUND / ISSUE**

The Environmental and Water Resources (EWR) Department is requesting that Water Systems Optimization, Inc. provide Leak and Loss Detection Surveys of the City’s Water Distribution System, including the Ashland area and the development South of US-50. The City’s water distribution system consists of approximately 400 miles of water pipes and is comprised of transmission mains, distribution mains, service lateral connections (approximately 23,000), blow-offs, fire hydrants, backflow preventors, valves, and other appurtenances. The City’s water pipes range in size from 1-inch service lines to 24-inch transmission mains. The previous comprehensive leak detection survey was performed on the City’s water system in the Spring of 2020.

The work will consist of performing two acoustic leak and loss detection surveys on the City’s water distribution system (including the Ashland area and the area South of US-50) in order to identify leak locations in need of repairs. The first leak and loss detection survey and associated report will be performed during this winter (December 1, 2021 through March 1,

2022). The second leak and loss detection survey and associated report will be performed during the next winter (December 1, 2022 through March 1, 2023).

The City issued a Request for Proposals (RFP) to provide Leak and Loss Detection Surveys of the City's Water Distribution System. Because of their knowledge and experience with Leak and Loss Detection services, Water Systems Optimization, 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 Water Systems Optimization, Inc. for professional services for the Leak and Loss Detection of the City's Water Distribution System.

### **POLICY / RULE**

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$62,657 or greater shall be awarded by City Council.

### **ANALYSIS**

The two leak and loss detection surveys will include a comprehensive survey of the City's water system. All detected leaks (both city-side leaks and customer-side leaks) will be documented and the leak flow rates will also be estimated. Whenever a leak is found, the field project team will document identifying factors about the leak such as address and location, pressure zone, leak type, estimated volume of leak (gallons per minute), cost of water (dollar per acre feet), priority rating, and other factors associated with record keeping.

At the conclusion of each survey, Water Systems Optimization, Inc. will deliver a final report to the City that details the findings of all the leak locations, loss rates, and any other pertinent information for the City to successfully make the necessary repairs to the water system. The City will be responsible for repairing the leaks that are discovered.

The City issued the RFP on September 16, 2021 for the Water Distribution System Leak and Loss Detection Survey and received five proposals. EWR staff evaluated the proposals based on the consultant's project understanding of the background and requirements of the project, relevant project experience, the qualifications and experience of the consultant's team, and their responses to a supplemental questionnaire. Because of their knowledge, understanding of the project, experience with leak and loss detection services, and total project costs, Water Systems Optimization, Inc. was selected to provide these services.

During the review of the submitted proposals, EWR staff identified Water Systems Optimization, Inc. as being the most qualified, had the most experience, and would provide the best value to the City. American Leak Detection and Consulting Engineering, Inc. did not submit all of the answers to the supplemental questionnaire, which was included in the RFP, and therefore their proposals were considered to be non-responsive. M.E. Simpson, McKim & Creed and Water Systems Optimization, Inc. provided responsive proposals. Below is a ranking of the proposals prior to reviewing costs.

<b>Company</b>	<b>Score (out of 200)</b>
American Leak Detection <sup>1</sup>	68
Consulting Engineering, Inc. <sup>1</sup>	115
M.E. Simpson Co., Inc.	167
McKim & Creed	171
Water Systems Optimization, Inc.	188

*Table 1. Consultant ranking prior to reviewing the costs of the proposals.*

After reviewing the proposals based on the understanding of the work, experience with similar work, the project team, and answers to the supplemental questionnaire, EWR staff reviewed total project costs. Proposal costs from each consultant were required to be submitted under a separate sealed envelope. A table showing the companies that submitted proposals and their fees is shown below.

<b>Company</b>	<b>Fee for First Leak and Loss Survey</b>	<b>Fee for Second Leak and Loss Survey</b>	<b>Total Fee</b>
American Leak Detection <sup>1</sup>	\$82,140	\$88,300	\$170,440
Consulting Engineering, Inc. <sup>1</sup>	\$104,800	\$112,500	\$217,300
Water Systems Optimization, Inc.	\$123,422	\$132,188	\$255,610
McKim & Creed	\$148,800	\$168,000	\$316,800
M.E. Simpson Co., Inc.	\$371,700	\$401,200	\$772,900

*Table 2. Consultant project costs associated with the RFP.*

Based on the consultant's understanding of the background and requirements of the project, relevant project experience, the qualifications and experience of the consultant's team, their responses to a supplemental questionnaire, proposal costs, and overall best value to the City, EWR staff proposes to utilize Water Systems Optimization, Inc. for these services for a not-to-exceed amount of \$255,610.

### **FINANCIAL IMPACT**

Sufficient funds have been budgeted in the Water Operating Fund (520) for this agreement in the FY 2021-22 budget. The second survey will be included in the Water Operating Fund (Fund 520) during the budget process for FY 2022-23. The Environmental and Water Resources Department recommends that the contract be awarded to Water Systems Optimization, Inc. for a not-to-exceed amount \$255,610.

<sup>1</sup> Proposals were deemed non-responsive because they did not answer each of the questions in the supplemental questionnaire.



The Regional Water Authority (RWA) applied for, and received, a Regional Leak Detection and Repair Project grant through the California Department of Water Resources. Participating RWA member agencies include the City of Sacramento, the City of Folsom, Sacramento Suburban Water District, and Placer County Water Agency. The total grant amount is for \$1,000,000 with each participating agency receiving up to \$250,000. The total City cost share is \$224,864 for a total project cost of \$474,864, which includes the grant amount. The local cost share may include eligible project costs incurred after January 1, 2015. Since 2015, but not including this contract, the City has spent approximately \$604,000 related to leak and loss detection.

### **ENVIRONMENTAL REVIEW**

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

### **ATTACHMENT**

Resolution No. 10743 - A Resolution Authorizing the City Manager to Execute an Agreement with Water Systems Optimization, Inc. to Complete the Water Distribution System Leak and Loss Detection Survey

Submitted,

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Marcus Yasutake, Director  
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

**RESOLUTION NO. 10743**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH WATER SYSTEMS OPTIMIZATION, INC. TO COMPLETE THE WATER DISTRIBUTION SYSTEM LEAK AND LOSS DETECTION SURVEY**

**WHEREAS**, the City has identified this project as a priority to maintain integrity and operation of the water distribution system; and

**WHEREAS**, this project consists of two Leak and Loss Detection Surveys of the City’s Water Distribution System, including the Ashland area and the development South of US-50.

**WHEREAS**, the Environmental and Water Resources Department issued a Request for Proposals on September 16, 2021 for the Water Distribution System Leak and Loss Detection Survey; and

**WHEREAS**, Water Systems Optimization, Inc. by reason of their past experience, abilities for performing these types of services, and overall best value for these services, is qualified to perform the required water distribution system leak and loss detection survey; and

**WHEREAS**, the Water Distribution System Leak and Loss Detection Survey was included in the Water Operating Fund (Fund 520) for FY 2021-22, in the amount of \$123,422; and

**WHEREAS**, sufficient funds are budgeted and available in the FY 2021-22 Water Operating Fund (Fund 520); and

**WHEREAS**, the second survey of the Water Distribution System Leak and Loss Detection Survey will be included in the Water Operating Fund (Fund 520) during the FY 2022-23 budget process; 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 with Water Systems Optimization, Inc. to complete the water distribution system leak and loss detection survey for a not-to-exceed amount of \$255,610; and,

**PASSED AND ADOPTED** this 9th day of November, 2021, by the following roll-call vote:

- AYES:** Councilmember(s):
- NOES:** Councilmember(s):
- ABSENT:** Councilmember(s):
- ABSTAIN:** Councilmember(s):



\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK



20TH 100  
**FOLSOM**  
A COMMITMENT TO EXCELLENCE

## Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/9/2020
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10745 – A Resolution Accepting a Grant from the South Coast Air Quality Management District for the Replacement of Two Diesel Refuse Trucks with Two Zero Emission Electric Refuse Trucks
<b>FROM:</b>	Public Works Department

### **RECOMMENDATION / CITY COUNCIL ACTION**

The Public Works Department recommends that the City Council pass and adopt Resolution No. 10745 – A Resolution Accepting a Grant from the South Coast Air Quality Management District for the Replacement of Two Diesel Refuse Trucks with Two Zero Emission Electric Refuse Trucks.

### **BACKGROUND / ISSUE**

The Folsom 2035 General Plan adopted by the Folsom City Council includes a goal of reducing the consumption of carbon-intensive fuels. In Fiscal Year 2020-21 the City of Folsom purchased 217,000 gallons of diesel fuel. Nearly 90 percent of that was utilized in the City's fleet of refuse collection vehicles. The exhaust from diesel engines exposes the community to dangerous green-house gas emissions. Converting to electric refuse trucks has the potential to significantly reduce green-house gas emissions produced by City operations. In addition, while the initial purchase price of an electric refuse truck far exceeds the cost of the diesel trucks, the operating cost is much lower, so long term savings are expected.

As authorized by Resolution No. 10515, the Solid Waste Division (Division) applied for \$400,000 of Volkswagen Environmental Mitigation Trust (VW) funding on August 18, 2020. The City has been notified by the administering agency, South Coast Air Quality Management District (SCAQMD), that our project was approved for funding.

Initially, and as stated in a previous report to Council, the Division had received information that this grant was eligible to stack with a previous grant award of \$102,361 from the Sacramento Metropolitan Air Quality Management District (SMAQMD). The Division has since learned that stacking will not be available with this grant.

Due to the high cost of electric refuse vehicles, the Division is working to maximize the use of grant funding to pilot two trucks. Currently the VW grant is the single largest source that has been awarded for this project. To secure the SMAQMD funding, it is necessary to enter into an agreement accepting the terms of this grant; however, this does not obligate the City to complete the project. The agreement will secure the funding in the event the City decides to complete the project within the specified timeframe.

In addition to the VW funding and previous award from SMAQMD, the Division has applied for two other grants to fund electric refuse trucks. In March 2021 the Division Applied for an additional \$200,000 from SMAQMD and in May 2021 the Division applied for \$240,000 from Hybrid and Zero-emission Truck and Bus Voucher Incentive Project (HVIP) funding. SMAQMD has informed the Division that both of their grants may be stacked together with HVIP funding. The Division has also received notice that the additional SMAQMD and HVIP funding have both been awarded to Folsom's project. Pending executed contracts of stackable funding, the Division will opt for the highest combination of funding available and request authorization to proceed with the best option available.

#### **POLICY / RULE**

The City Council Adopted Resolution No. 7332 Financial Policies of the City of Folsom on May 25, 2004. Section D – Intergovernmental Revenues, Paragraph C – Grant Project Resolutions states, "All grants received from the Federal or State government for operating or capital purposes shall be recognized in separate grant project resolutions. A balanced grant project resolution must be adopted prior to beginning the project."

#### **ANALYSIS**

The Division has applied for and been awarded four grants toward the purchase of two electric refuse trucks. The VW funding is the single largest funding source at \$400,000. Since the award of the VW funding the Division became aware of other grants that may be stackable and when combined provide funding higher than VW. With this Resolution, the Division seeks to secure the VW funding; however, if the other funding sources are secured the Division will select highest combination of funding for this project and will be required to forgo the other grants.

This technology has the potential to eliminate emissions from refuse collection vehicles; however, since the technology is relatively new and very costly, the Division would like to purchase two residential side loaders, which are the largest portion of the collection fleet, to pilot the technology and evaluate the effectiveness within the operation.

The Lion Electric Co. has been awarded a cooperative bidding contract from the California Department of General Services for class 8 refuse trucks. The Lion class 8 trucks are 100 percent electric so in addition to eliminating emissions, they will eliminate the possibility of hydraulic spills which are costly to clean up and leave stains on City streets. The purchase price for two Lion Electric Co. refuse trucks is estimated at \$1,300,000.

The cost of the vehicles less available funding is expected to make the purchase price comparable to the amount we would pay for a residential side loader. The cost of a side loader in fiscal year 2021-22 is approximately \$400,000. The reduced cost of electricity versus fuel and lower maintenance cost are expected to provide year over year savings.

In addition to the truck purchase price, the Division would also need to invest in charging infrastructure. The Division previously reported an estimate of approximately \$93,000 as provided by an electrician Sacramento Municipal Utility District (SMUD) contracted with to provide the quote. Since then, it has been determined that an additional transformer or a transformer upgrade will be necessary for the charging infrastructure. An updated estimate is not available at this time but is expected to be much higher than the original estimate. Infrastructure planning will include conduit and power necessary to minimize the impact of expanding the electric refuse fleet in the future. SMUD has funding available to contribute to the cost of infrastructure; however, no funding has been secured for the infrastructure at this time.

### **FINANCIAL IMPACT**

Acceptance of the VW grant does not have a direct financial impact. Upon final determination of all available funding, the Division will request approval to proceed with the purchase of two electric refuse vehicles. If the VW grant is the best option, there would be an initial outlay of Solid Waste enterprise funds of approximately \$1,300,000. After reimbursement from the grant the net cost to the City is estimated at \$900,000. The purchase price of equivalent diesel trucks is \$800,000; however, the electric vehicles are expected to have a lower overall cost of ownership because of reduced fuel and maintenance cost.

### **ENVIRONMENTAL REVIEW**

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

### **ATTACHMENT**

1. Resolution No. 10745 – A Resolution Accepting a Grant from the South Coast Air Quality Management District for the Replacement of Two Diesel Refuse Trucks with Two Zero Emission Electric Refuse Trucks

Submitted



Mark Rackovan, PUBLIC WORKS DIRECTOR

**RESOLUTION NO. 10745**

**A RESOLUTION ACCEPTING A GRANT FROM THE SOUTH COAST METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT FOR THE REPLACEMENT OF TWO DIESEL REFUSE TRUCKS WITH TWO ZERO EMISSION ELECTRIC REFUSE TRUCKS**

**WHEREAS**, the Folsom 2035 General Plan includes a commitment to reduce the consumption of carbon-intensive fuels through the purchase of more efficient vehicles; and

**WHEREAS**, the Solid Waste Division desires to purchase two electric refuse vehicles to pilot the feasibility of the technology within the City of Folsom waste collection operation; and

**WHEREAS**, the South Coast Metropolitan Air Quality Management District (SCAQMD) provides funding for zero emission vehicles through the Volkswagen Environmental Mitigation Trust (VW); and

**WHEREAS**, in August 2020 the Solid Waste Division applied for VW funding for the purchase of two zero emission electric refuse vehicles and disposal of two diesel refuse vehicles; and

**WHEREAS**, the Solid Waste Division was approved for grant funding in the amount of \$400,000; 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 hereby authorizes the City Manager to execute an agreement with SCAQMD accepting VW grant funding in the amount of \$400,000.

**PASSED AND ADOPTED** this 9<sup>th</sup> day of November 2021, by the following roll-call vote:

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

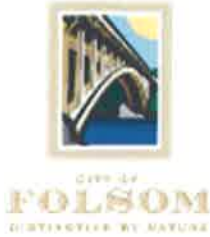
\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

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## Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10746 – A Resolution Authorizing the City Manager to Execute an Agreement with Bennett Engineering Services Inc. for Design Services for the Basin 4 Sewer Phase 1 Project
<b>FROM:</b>	Environmental and Water Resources Department

### RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 10746 - A Resolution Authorizing the City Manager to Execute an Agreement with Bennett Engineering Services Inc. for Design Services for the Basin 4 Sewer Phase 1 Project.

### BACKGROUND / ISSUE

The Environmental and Water Resources (EWR) Department identifies infrastructure rehabilitation and replacement projects through water and sewer master plans, ongoing condition assessment programs, and regulatory changes. EWR staff completed an analysis of potential Wastewater projects through the City’s Sanitary Sewer System Management Plan. Through these efforts, EWR staff identified the Basin 4 Sewer Phase 1 Project as a priority project.

The Basin 4 Sewer Phase 1 Project consists of rehabilitating and replacing approximately 3,200 lineal feet of sanitary sewer pipeline and the rehabilitation and repair of one manhole. The project includes rehabilitating and replacing approximately 400 feet of sewer pipeline near Granite Park along Reading Street from Mormon/Natoma Alley to Figueroa/Mormon Alley, approximately 1,800 feet of sewer pipeline within the Natoma-Persifer Alley between Sibley Street and Riley Street, approximately 1,000 feet of sewer pipeline along Sutter Street between

Scott Street and Coloma Street, and the rehabilitation and repair of a manhole by California Family Fitness on Oak Avenue Parkway.

This project will reduce inflow and infiltration, minimize annual maintenance costs, and minimize the risk of sewer overflows.

This resolution will authorize the City Manager to execute an agreement with Bennett Engineering Services Inc. for design services for the Basin 4 Sewer Phase 1 Project in the amount of \$154,585.

### **POLICY / RULE**

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$62,657 or greater shall be awarded by City Council.

### **ANALYSIS**

The Basin 4 Sewer Phase 1 Project will reduce inflow and infiltration, minimize annual maintenance costs, and minimize the risk of sewer overflows.

This project consists of rehabilitating and replacing approximately 3,200 lineal feet of sewer pipeline. The sewer pipeline that requires rehabilitation/replacement is located in the Historic District area of Folsom. These sewer pipelines are aging, with some of the pipelines dating back to the 1940's. The existing sewer lines run under existing buildings and in backyards with limited to no access. These aging pipelines are prone to leaks, breaks, clogs, and require extra maintenance. The repair and replacement of these sewer pipes will lower annual maintenance costs, reduce inflow and infiltration, and minimize the risk of sewer overflows.

The design will involve the rehabilitation and replacement of approximately 3,200 lineal feet of sewer pipeline and the repair of a manhole. City staff is recommending the following scope of work:

- Project Management
- Preliminary Engineering, Site Investigation, and Data Collection
- Design Services
  - Develop 65%, 90%, and 100% plans and specifications for review by the City
  - Final Bid Package (plans, specifications, and estimate)
- Bidding Support

In October 2018, the EWR Department completed a pre-qualification process for consultants for design and construction administration services for water and wastewater projects. The consulting firm Bennett Engineering Services Inc. was one of the firms selected to provide these services for this type of project through this pre-qualification process. Due to their recent experience in wastewater design work in the Historic District and the availability of their project team to meet the City's schedule for this project, EWR selected Bennett Engineering Services Inc. to perform the work. Bennett Engineering Services Inc. is uniquely qualified for

this specific project based on their recent work regarding construction related impacts to private property within the Historic District, their understanding of the necessary requirements for rights of entry onto private property for construction related activities, and the various mitigation requirements required for private property disturbance during construction. The other pre-qualified consulting firms are currently working on other City projects.

The Environmental and Water Resources Department recommends that the City Council authorize the City Manager to execute an agreement with Bennett Engineering Services, Inc. for a not-to-exceed amount of \$154,585.

### **FINANCIAL IMPACT**

The Basin 4 Sewer Phase 1 Project was included in the FY 2021-22 Capital Improvement Plan. Sufficient funds are budgeted and available in the Sewer Operating Fund (Fund 530) and the Environmental and Water Resources Department recommends that the contract be awarded to Bennett Engineering Services Inc. for \$154,585.

### **ENVIRONMENTAL REVIEW**

This project is a rehabilitation project of existing infrastructure and therefore is 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.

### **ATTACHMENT**

Resolution No. 10746 - A Resolution Authorizing the City Manager to Execute an Agreement with Bennett Engineering Services Inc. for Design Services for the Basin 4 Sewer Phase 1 Project

Submitted,

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Marcus Yasutake, Director  
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

**RESOLUTION NO. 10746**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH BENNETT ENGINEERING SERVICES INC. FOR DESIGN SERVICES FOR THE BASIN 4 SEWER PHASE 1 PROJECT**

**WHEREAS**, the City has identified this project as a priority to maintain the integrity and operation of the City’s sanitary sewer system; and

**WHEREAS**, the Basin 4 Sewer Phase 1 Project consists of rehabilitating and replacing approximately 3,200 lineal feet of sanitary sewer pipeline and associated manholes; and

**WHEREAS**, Bennett Engineering Services Inc. by reason of their statement of qualifications, past experience, abilities for performing these types of services, and recent design services within the Historic District, are qualified to perform the required design services for this project; and

**WHEREAS**, sufficient funds have been budgeted and are available in the Sewer Operating Fund (Fund 530); 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 with Bennett Engineering Services Inc. for design services for the Basin 4 Sewer Phase 1 Project for a not-to-exceed amount of \$154,585; and,

**PASSED AND ADOPTED** this 9<sup>th</sup> day of November, 2021, by the following roll-call vote:

- AYES:** Councilmember(s):
- NOES:** Councilmember(s):
- ABSENT:** Councilmember(s):
- ABSTAIN:** Councilmember(s):

\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK



CITY OF  
**FOLSOM**  
QUALITY TIME BY DESIGN

## Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10750 – A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford to Purchase Eight Ford Pickup Trucks for the Public Works Department and the Environmental and Water Resources Department
<b>FROM:</b>	Environmental and Water Resources Department Public Works Department

### **RECOMMENDATION / CITY COUNCIL ACTION**

The Public Works and Environmental and Water Resources Departments recommend that the City Council pass and adopt Resolution No. 10750 – A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford to Purchase Eight Ford Pickup Trucks for the Public Works Department and the Environmental and Water Resources Department.

### **BACKGROUND / ISSUE**

The Public Works Department Fleet Management must maintain a fleet of staff vehicles that is able to provide efficient and reliable service. The City's requirement for these vehicles is based on the need to replace its aging fleet and to maintain current service levels. The vehicles being purchased will replace eight vehicles currently being used by Public Works and Environmental and Water Resources Departments' staff, all of which have exceeded their expected service life in terms of age, mileage, ongoing maintenance costs, or some combination thereof. The proposed replacement Ford pickup trucks will benefit from modern technology to provide a more reliable and safer working environment for staff while providing an estimated 30% improvement in fuel efficiency, based on Environmental Protection Agency (EPA) miles per gallon ratings, all of which should result in a significant reduction in operating costs.

This resolution authorizes the City Manager to execute an agreement with Folsom Lake Ford for the purchase of eight Ford pickup trucks. The total cost for the purchase of these vehicles will not exceed \$483,259.03.

### **POLICY / RULE**

Section 2.36.080 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of \$62,657 or greater shall be awarded by the City Council.

Section 2.36.100 of the Folsom Municipal Code provides for a five percent price differential to local bidders in contracting. The success of local businesses and vendors positively impacts Folsom's economy as a whole, as well as the City's ability to provide quality services and programs. The City strives to use Folsom vendors in purchasing services and products when quality, service, and other factors are equal.

### **ANALYSIS**

The Public Works Department received a total of three competitive bids from dealers solicited. The dealers and corresponding bids are shown in the table below. Folsom Lake Ford submitted the winning bid by virtue of being the lowest bid.

<b>Dealer</b>	<b>Bid Amount</b>
Downtown Ford	\$ 490,140.70
Folsom Lake Ford*	\$ 483,259.03
National Auto Fleet Group	\$ 528,500.93

\*Selected bid

### **FINANCIAL IMPACT**

Staff is requesting that the new contract be authorized for a not to exceed amount of \$483,259.03. Sufficient funds to purchase the replacement vehicles are budgeted and available in the Fiscal Year 2021-22 Public Works Fund (Fund 023), Solid Waste Enterprise Fund (Fund 540), Fleet Management General Fund (Fund 010), Sewer Operating Fund (Fund 530), and Water Operating Fund (Fund 520).

<b>Department/Division</b>	<b>Fund</b>	<b>Model of Truck</b>	<b>No. of Trucks</b>	<b>Amount</b>
Public Works Streets	023	F250	3	\$ 159,378.81
Public Works Solid Waste	540	F250	1	\$ 30,701.37



Public Works Hazardous Materials	540	F250	1	\$ 58,720.65
Public Works Fleet Management	010	F350	1	\$ 37,455.11
Environmental & Water Resources Sewer	530	F250	1	\$ 61,616.97
Environmental & Water Resources Water	520	F550	1	\$ 135,386.12
<b>Total</b>			<b>8</b>	<b>\$ 483,259.03</b>

Replaced vehicles will be disposed of in accordance with Folsom Municipal Code, section 2.36.220, Disposition of surplus personal property.

**ENVIRONMENTAL REVIEW**

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

**ATTACHMENT**

Resolution No. 10750 – A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford to Purchase Eight Ford Pickup Trucks

Submitted,

  
 \_\_\_\_\_  
 Mark Rackovan, PUBLIC WORKS DIRECTOR

  
 \_\_\_\_\_  
 Marcus Yasutake, ENVIRONMENTAL & WATER RESOURCES DIRECTOR



**RESOLUTION NO. 10750**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH FOLSOM LAKE FORD TO PURCHASE EIGHT FORD PICKUP TRUCKS FOR THE PUBLIC WORKS DEPARTMENT AND THE ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT**

**WHEREAS**, the Public Works and the Environmental and Water Resources Departments have validated their need to purchase eight Ford pickup trucks based on an approved replacement schedule; and

**WHEREAS**, this purchase has been competitively bid by three different vendors with Folsom Lake Ford submitting the winning bid by virtue of being the lowest bid; and

**WHEREAS**, sufficient funds are budgeted and available in the Fiscal Year 2021-22 Public Works Fund (Fund 023), Solid Waste Enterprise Fund (Fund 540), Fleet Management General Fund (Fund 010), Sewer Operating Fund (Fund 530) and Water Operating Fund (Fund 520) Budgets for the purchase of vehicles; and

**WHEREAS**, replaced equipment will be sold in accordance with Folsom Municipal Code section 2.36.220, Disposition of surplus personal property; 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 with Folsom Lake Ford to purchase eight Ford pickup trucks for a not-to-exceed amount of \$483,259.03 including tax and delivery.

**PASSED AND ADOPTED** this 9<sup>th</sup> day of November 2021, by the following roll-call vote:

- AYES:** Councilmember(s):
- NOES:** Councilmember(s):
- ABSENT:** Councilmember(s):
- ABSTAIN:** Councilmember(s):

\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

## Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	New Business
<b>SUBJECT:</b>	Appointment of At-Large Utility Commissioner
<b>FROM:</b>	City Clerk's Department

### **RECOMMENDATION / CITY COUNCIL ACTION**

Staff recommends that the Mayor appoint, with approval from the City Council, an at-large member to the Utility Commission to fill the unexpired term ending in December 2022.

### **BACKGROUND / ISSUE**

The Utility Commission's purpose is to establish a communication process that will inform and educate all city residents and businesses as to the necessity and function of city utilities, such as water, sewer and solid waste and the associated costs to operate and maintain these city functions.

The Committee is composed of seven members – five members who are individually appointed by each City Council Member, and two at-large members appointed by the City Council.

### **POLICY/ RULE**

Folsom Municipal Code Section 2.35.030 states, in part, that an "at-large appointment" is an appointment made by a majority vote of the city council or an appointment made by the Mayor with the approval of the city council.

**ANALYSIS**

There is currently an at-large vacancy with the term ending in December 2022. The vacancy was created due to the resignation of a current at-large appointment prior to the expiration of the existing appointment's two-year term. A Notice of Vacancy was posted on the City's web page, the bulletin boards at City Hall and at the Georgia Murray Library as well as published in the Folsom Telegraph newspaper.

**ATTACHMENTS**

Applications received from the following individuals:

1. George Condon
2. Mark Menz

Respectfully Submitted,

---

Christa Freemantle, CMC  
City Clerk

ATTACHMENT 1

Thank you for your interest in serving on a Folsom commission or committee.

**Before You Begin:**

- Please read this form and instructions carefully.
- Complete all pages and sign the application.
- Applications remain active for six months after submittal.

**Return completed applications to:**

City Clerk's Department, Folsom City Hall, 50 Natoma Street, Folsom, CA 95630

**Applicant Information: (All information is required)**

Name: George Condon

Residence Address: \_\_\_\_\_

Email: jllmmm6@comcast.net

Phone: \_\_\_\_\_

Employer and Occupation: \_\_\_\_\_

Currently Serving on a Commission/Committee? If yes, please specify:  
No

**Folsom Residency / Registered Voter Verification:** Commission and Committee members must be residents and registered voters of Folsom.

Registered to vote? Indicate Yes / No Yes

**Financial Disclosure / Ethics Training:**

I understand that commission and committee members must file statements disclosing financial information. Indicate Yes / N  
Yes

I understand that commission and committee members must complete ethics and harassment training. Indicate Yes / N  
Yes

**Truth and Accuracy:** I certify that the information contained on this form is true and accurate:

Signature:  Date: November 1, 2021

**Important Public Records Information:** The city may receive requests from the public to review documents this form and the city is obligated to release these public records, including all information contained on the form.

**Choice of Commission or Committee:**

(If you are interested in multiple commissions, please rank them numerically according to your preference)

\_\_\_\_\_ Arts and Culture Commission

\_\_\_\_\_ Historic District Commission\*

Please identify which seat you qualify for:

\_\_\_\_\_ representative who is actively involved with historic preservation

\_\_\_\_\_ representative who is a resident of the Historic District

\_\_\_\_\_ representative who owns a business within the Sutter Street Subarea

\_\_\_\_\_ Planning Commissioners

\_\_\_\_\_ representative from a Historic District business outside the Sutter Street Subarea

\_\_\_\_\_ architect, landscape architect, or other design professional with expertise in historic preservation

\_\_\_\_\_ Landscaping and Lighting District Advisory Committee\*

Please advise which L&L District you live in:

District of Residence: \_\_\_\_\_

\_\_\_\_\_ Library Commission

\_\_\_\_\_ Parks and Recreation Commission

\_\_\_\_\_ Planning Commission

\_\_\_\_\_ Traffic Safety Committee\*

Please identify which seat you qualify for:

\_\_\_\_\_ representative representing a wide cross section of interests

\_\_\_\_\_ representative who has demonstrated an interest in or a concern for pedestrian and bicycle

X \_\_\_\_\_ Utility Commission

\_\_\_\_\_ Other: \_\_\_\_\_

**\*Application Supplement Required:**

Supplemental information is required for the Historic District Commission, Landscape and Lighting District Advisory Committee, and the Traffic Safety Committee. These boards have special qualification requirements for certain seats.

**Continue to next page**

for):

**1. Why do you want to serve on this commission or committee:**

I have been a resident of Folsom for 16 years. I also owned rental property in Folsom and worked well with the city departments during that time.

I continue to feel that the City of Folsom is a very well run city that offers many different services to the citizens.

I continue to believe that this city has strong police and fire departments. The many different committees and commissions prove to me the city is strong and wonderful place to live and raise a family.

I think with my involvement on the Board of Directors of the Empire Ranch HOA and my many years in the construction business, as a Plumbing Contractor and a General Contractor, will give me good insight into the commission's work.

**2. What do you think is(are) the top issue(s) facing this commission or committee:**

Implementation of the organics recycling program as mandated by the state and water supply.

**Continue to next page**



3. Briefly describe how your experiences qualify you to serve on the commission or committee.

As I stated above my 60 years in the construction industry. Before retiring my last position was Project Manager of the Sacramento International Airport Terminal B. I was part of the Design Build Team primarily focused on the Plumbing and Utilities.

4. Which commission or committee meetings have you attended?

**END OF APPLICATION FORM**

**Return completed applications to:**  
City Clerk's Department, Folsom City Hall, 50 Natoma Street, Folsom, CA 95630

ATTACHMENT 2



# Folsom Commission and Committee APPLICATION

Thank you for your interest in serving on a Folsom commission or committee

**Before You Begin:**

- Please read this form and instructions carefully.
- Complete all pages and sign the application.
- Applications remain active for six months after submittal.

**Return completed applications to:**

City Clerk's Department, Folsom City Hall, 50 Natoma Street, Folsom, CA 95630

**Applicant Information:** (All information is required)

Name:

Mark Menz

Residence Address:

\_\_\_\_\_

Email:

mark@menz.us

Phone:

\_\_\_\_\_

Employer and Occupation:

\_\_\_\_\_

Currently Serving on a Commission/Committee? If yes, please specify: \_\_\_\_\_

**Folsom Residency / Registered Voter Verification:** Commission and Committee members must be residents and registered voters of Folsom.

Registered to vote? Indicate  Yes / No  No Select One

**Financial Disclosure / Ethics Training:**

I understand that commission and committee members must file statements disclosing financial information.

Indicate  Yes / No:

Select One

I understand that commission and committee members must complete ethics and harassment training.

Indicate  Yes / No:

Select One

**Truth and Accuracy:** I certify that the information contained on this form is true and accurate:

Signature:

*Mark Menz*

Date:

10-15-2021

**Important Public Records Information:** The city may receive requests from the public to review documents such as this form and the city is obligated to release these public records, including all information contained on the form.

### FOLSOM COMMISSION AND COMMITTEE APPLICATION

Applicant Name: Mark Menz

**Choice of Commission or Committee:**

(If you are interested in multiple commissions, please rank them numerically according to your preference)

- Arts and Cultural Commission
- Historic District Commission\*
- Landscaping and Lighting District Advisory Committee\*
- Library Commission
- Parks and Recreation Commission
- Planning Commission
- Traffic Safety Committee\*
- Utility Commission

Other: \_\_\_\_\_

**\*Application Supplement Required:**

Supplemental information is required for the Historic District Commission, Landscape and Lighting District Advisory Committee, and the Traffic Safety Committee. These boards have special qualification requirements for certain seats.

**Historic District Commission:**

Please identify which seat you qualify for:

- representative who is actively involved with historic preservation;
- representative who is a resident of the Historic District
- representative who owns a business within the Sutter Street Subarea
- Planning Commissioners
- representative from a Historic District business outside the Sutter Street Subarea
- architect, landscape architect, or other design professional with expertise in historic preservation

**Landscaping and Lighting District Advisory Committee:**

Please advise which L&L District you live in:

District of residence : \_\_\_\_\_

**Traffic Safety Committee:**

Please identify which seat you qualify for:

- representatives representing a wide cross section of interests
- representative who has demonstrated an interest in or a concern for pedestrian and bicycle safety

Continue to next page

## FOLSOM COMMISSION AND COMMITTEE APPLICATION

Applicant Name: Mark Menz

**Informational Questions:** (you must answer all four questions, for all commissions or committees you are applying for):

1. Why do you want to serve on this commission or committee:

After my 35 years here in Folsom I believe I have a good handle on the community. I also have a technical back ground and knowledge on Utilities (water, sewer, power). I have had been on the board of several non-profits and profit. Companies. I can analyze and understand technical issues and problems.

2. What do you think is(are) the top issue(s) facing this commission or committee:

managing the water issues and sewer issues and ~~the~~ managing the growth in both.

Continue to next page

Page 3 of 4

FOLSOM COMMISSION AND COMMITTEE APPLICATION

Applicant Name: Mark Menz

3. Briefly describe how your experiences qualify you to serve on the commission or committee:

I have the technical knowledge and experience  
I have been on several boards  
I have the management experience  
I have been living in Folsom and a homeowner for 34+ years

4. Which commission or committee meetings have you attended?

City Council meetings  
Parks & Rec meetings  
SMUD Council meetings  
Roseville Utility Commission meetings

END OF APPLICATION FORM

**Return completed applications to:**

City Clerk's Department, Folsom City Hall, 50 Natoma Street, Folsom, CA 95630

**Christa Freemantle**

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**From:** mark@menz.us  
**Sent:** Friday, October 15, 2021 1:23 PM  
**To:** City Clerk Dept  
**Subject:** Application for the open seat on the Utility Commission attached  
**Attachments:** UtilCommisionApplication.pdf

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**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

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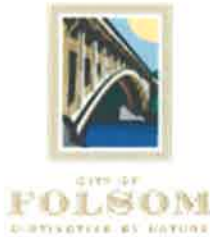
Attached is my application for the open seat on the Utility Commission.

Thank you for your attention

Mark Menz  
916.705.7783



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## Folsom City Council Staff Report



<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	New Business
<b>SUBJECT:</b>	<p>City of Folsom Community Facilities District No. 23 (Folsom Ranch) Amended Improvement Area No. 3 and Improvement Area No. 7</p> <p><b>Resolution No. 10747 - A Resolution of Consideration of the City Council of the City of Folsom to (1) Amend the Boundaries of Improvement Area No. 3 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch); (2) Amend the Rate and Method of Apportionment for Improvement Area No. 3 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch), and (3) Amend the Appropriations Limit and the Maximum Bonded Indebtedness and Related Matters.</b></p> <p><b>Resolution No. 10748 - A Resolution of the City Council of the City of Folsom Approving a Proposed Boundary Map and Designating Improvement Area No. 7 within the “City of Folsom Community Facilities District No. 23 (Folsom Ranch)” and to Levy Special Taxes therein.</b></p> <p><b>Resolution No. 10749 - A Resolution of the City Council of the City of Folsom Declaring the Necessity for Incurring Bonded Indebtedness in and for Improvement Area No. 7 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) and Calling for a Public Hearing thereon.</b></p>
<b>FROM:</b>	Finance Department

**RECOMMENDATION / CITY COUNCIL ACTION**

It is recommended that the City Council adopt the following resolutions:

Resolution No. 10747 - A Resolution of Consideration of the City Council of the City of Folsom to (1) Amend the Boundaries of Improvement Area No. 3 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch); (2) Amend the Rate and Method of Apportionment for Improvement Area No. 3 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch), and (3) Amend the Appropriations Limit and the Maximum Bonded Indebtedness and Related Matters.

Resolution No. 10748 - A Resolution of the City Council of the City of Folsom Approving a Proposed Boundary Map and Designating Improvement Area No. 7 within the "City of Folsom Community Facilities District No. 23 (Folsom Ranch)" and to Levy Special Taxes therein.

Resolution No. 10749 - A Resolution of the City Council of the City of Folsom Declaring the Necessity for Incurring Bonded Indebtedness in and for Improvement Area No. 7 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) and Calling for a Public Hearing thereon.

### **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 previously requested to form the City of Folsom Community Facilities District No. 23 (Folsom Ranch) ("CFD No. 23"), including six separate Improvement Areas, designated as Improvement Area No. 1 through Improvement Area No. 6. The City Council previously approved the Resolution of Formation (Resolution No. 10435) on May 26, 2020 to form CFD No. 23, designate Improvement Area No. 3, authorize a special tax to finance the acquisition and construction of certain public facilities and certain public services, authorize the issuance of debt to finance the public facilities, and establish the appropriations limit and maximum bonded indebtedness for Improvement Area No. 3.

The landowners within Improvement Area No. 3 have requested to amend the boundaries of Improvement Area No. 3 to exclude property expected to be developed into traditional market rate single family residences, to amend the Rate and Method of Apportionment to adjust the maximum special tax rates based on the planned development of remaining property within Improvement Area No. 3, and amend the appropriations limit and maximum bonded indebtedness for Improvement Area No. 3. Further, the landowners have requested to designate a new Improvement Area No. 7 to include the property expected to be developed into traditional market rate single family residences that is being excluded from Improvement Area No. 3.

The location of the amended Improvement Area No. 3 and proposed Improvement Area No. 7, along with the property included within each Improvement Area, is identified in the amended boundary map for Improvement Area No. 3 (Attachment 4) and the boundary map for Improvement Area No. 7 (Attachment 6). The proposed development plan for the amended Improvement Area No. 3 includes 919 active adult units zoned as single-family/single-family high density. The proposed development plan for Improvement Area No. 7 includes 211 traditional market rate units all zoned as single-family/single-family high density.

The attached resolutions begin the proceedings to amend the existing Improvement Area No. 3 and designate a new Improvement Area No. 7. Resolution 10747 will consider the amended boundaries, the amended Rate and Method of Apportionment, and the amended appropriations limit and maximum bonded indebtedness for Improvement Area No. 3. Resolution 10748 will approve a boundary map, designate a new Improvement Area No. 7 and authorize the City to levy special taxes within Improvement Area No. 7. Resolution 10749 declares the necessity to incur bonded indebtedness within Improvement Area No. 7.

If these resolutions are approved, a Public Hearing concerning the amendment of Improvement Area No. 3 and a Public Hearing designating the new Improvement Area No. 7, will be scheduled, along with an election of owners of property within Improvement Area No. 3 and the proposed Improvement Area No. 7, for December 14, 2021.

### **POLICY / RULE**

Chapter 5 of the Folsom Plan Area Public Facilities Financing Plan authorizes the formation of CFDs 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 is 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 to 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 proposed amendment to Improvement Area No. 3 will exclude property expected to be developed into traditional market rate single family residences, leaving only property that is expected to be developed into active-adult single-family residences. Further, amendments to the Rate and Method of Apportionment for Improvement Area No. 3 will adjust the maximum special tax rates based on the active-adult planned development within the amended Improvement Area No. 3. A comparison of the approved CFD No. 23 Improvement Area No. 3 Rate and Method of Apportionment and the changes proposed within the Amended CFD No. 23 Improvement Area No. 3 Rate and Method of Apportionment is included in Attachment 2.

The special tax revenue generated from taxable parcels within the amended Improvement Area No. 3 will be comprised of a special tax to fund facilities and a special tax to fund services. The amended 2021/22 maximum facilities special tax rates and maximum services special tax rates, for each developed land use category, are provided in the table below:

Land Use Category	Residential Floor Area (square footage)	2021/22 Maximum Facilities Special Tax Rate	2021/22 Maximum Services Special Tax Rate	Per
Single-Family Detached Property - SF/SFHD Zoning	≥ 2,200	\$890	\$100	Unit
Single-Family Detached Property - SF/SFHD Zoning	2,000 – 2,199	790	100	Unit
Single-Family Detached Property - SF/SFHD Zoning	1,800 – 1,999	690	100	Unit
Single-Family Detached Property - SF/SFHD Zoning	≤ 1,799	590	100	Unit
Single-Family Detached Property - MLD Zoning	N/A	490	100	Unit
MMD Multi-Family Attached Property	N/A	30,000	500	Acre
MHD Multi-Family Attached Property	N/A	11,700	1,000	Acre
Non-Residential Property	N/A	11,700	1,000	Acre

The proposed Improvement Area No. 7 will include the property excluded from the amended Improvement Area No. 3 and is expected to be developed into traditional market rate single-family residences. The special tax revenue generated from taxable parcels within Improvement

Area No. 7 will be comprised of a special tax to fund facilities and a special tax to fund services. The 2021/22 maximum facilities special tax rates and maximum services special tax rates, for each developed land use category, are provided in the table below:

Land Use Category	Residential Floor Area (square footage)	2021/22 Maximum Facilities Special Tax Rate	2021/22 Maximum Services Special Tax Rate	Per
Zone 1: Single-Family Detached Property – SF/SFHD Zoning	≥ 2,900	\$2,450	\$177	Unit
Zone 1: Single-Family Detached Property – SF/SFHD Zoning	2,700 – 2,899	2,390	177	Unit
Zone 1: Single-Family Detached Property – SF/SFHD Zoning	≤ 2,699	2,350	177	Unit
Zone 2: Single-Family Detached Property – SF/SFHD Zoning	≥ 3,325	3,075	177	Unit
Zone 2: Single-Family Detached Property – SF/SFHD Zoning	3,000 – 3,324	2,950	177	Unit
Zone 2: Single-Family Detached Property – SF/SFHD Zoning	≤ 2,999	2,845	177	Unit
Single-Family Detached Property - MLD Zoning	N/A	2,350	177	Unit
MMD Multi-Family Attached Property	N/A	30,000	500	Acre
MHD Multi-Family Attached Property	N/A	11,700	1,000	Acre
Non-Residential Property	N/A	11,700	1,000	Acre

The facilities special tax can be levied and collected through Fiscal Year 2079/80 for each Improvement Area. Each fiscal year, commencing with 2022/23, the maximum facilities special tax rate will be increased by 2% annually. The services special tax can be levied and collected in perpetuity for each Improvement Area. Each fiscal year, commencing with 2022/23, 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%.



Upon passage of these resolutions, a Public Hearing concerning the amendment of Improvement Area No. 3 and a Public Hearing designating the new Improvement Area No. 7, will be scheduled, along with an election of owners of property within Improvement Area No. 3 and the proposed Improvement Area No. 7, for December 14, 2021.

### **FINANCIAL IMPACT**

There is no direct General Fund impact on the City of Folsom. The Improvement Area No. 3 amendment, designation of a new Improvement Area No. 7 and expenses are solely the responsibility of Improvement Area No. 3. The General Fund is not impacted by the Improvement Area No. 3 Amended Rate and Method of Apportionment and Improvement Area No. 7 Rate and Method of Apportionment.

### **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. Resolution No. 10747 - A Resolution of Consideration of the City Council of the City of Folsom to (1) Amend the Boundaries of Improvement Area No. 3 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch); (2) Amend the Rate and Method of Apportionment for Improvement Area No. 3 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch), and (3) Amend the Appropriations Limit and the Maximum Bonded Indebtedness and Related Matters.
2. Resolution No. 10748 - A Resolution of the City Council of the City of Folsom Approving a Proposed Boundary Map and Designating Improvement Area No. 7 within the “City of Folsom Community Facilities District No. 23 (Folsom Ranch)” and to Levy Special Taxes therein.
3. Resolution No. 10749 - A Resolution of the City Council of the City of Folsom Declaring the Necessity for Incurring Bonded Indebtedness in and for Improvement Area No. 7 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) and Calling for a Public Hearing thereon.
4. Amended Boundary Map of Improvement Area No. 3.



5. Redline Amendments to Rate and Method of Apportionment for City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area 3.
6. Boundary Map of Improvement Area No. 7.

Submitted,



---

Stacey Tamagni  
Finance Director

# ATTACHMENT 1

**RESOLUTION NO. 10747**

**A RESOLUTION OF CONSIDERATION OF THE CITY COUNCIL OF  
THE CITY OF FOLSOM TO (1) AMEND THE BOUNDARIES OF  
IMPROVEMENT AREA NO. 3 WITHIN THE CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH); (2)  
AMEND THE RATE AND METHOD OF APPORTIONMENT FOR  
IMPROVEMENT AREA NO. 3 WITHIN THE CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH), AND  
(III) AMEND THE APPROPRIATIONS LIMIT AND THE MAXIMUM  
BONDED INDEBTEDNESS AND RELATED MATTERS**

**WHEREAS**, the City Council (the “City Council”) of the City of Folsom (the “City”) conducted proceedings under and pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the “Act”), among other things, (i) to form a community facilities district within the City of Folsom, designated and known as “City of Folsom Community Facilities District No. 23 (Folsom Ranch)” (the “Community Facilities District”), (ii) to designate Improvement Area No. 3 therein, (iii) to authorize a special tax (the “Special Tax”) to finance the acquisition and construction of certain public facilities (the “Facilities”) and certain public services (the “Services”), (iv) to authorize the issuance of debt to finance the Facilities, and (v) to establish the appropriations limit for Improvement Area No. 3 of the Community Facilities District, all as set forth in the City Council’s Resolution No. 10435 (the “Resolution of Formation”), adopted on May 26, 2020; and

**WHEREAS**, the Facilities and Services authorized to be financed through the Community Facilities District are set forth in Exhibit A and Exhibit B to the Resolution of Formation, respectively; and

**WHEREAS**, the authorized rate and method of apportionment and manner of collection of the special tax (the “RMA”) for Improvement Area No. 3 of the Community Facilities District is set forth in Exhibit D-3 to the Resolution of Formation; and

**WHEREAS**, at a special, mailed ballot election held on May 26, 2020, at least two-thirds of the votes eligible to be cast in such election were in favor of levying the special tax in and for the Community Facilities District pursuant to the RMA; and

**WHEREAS**, the owners of the land subject to the special tax within the Community Facilities District (the “Owners”) have requested that the authority to levy the special taxes be amended to (i) amend the boundaries of Improvement Area No. 3 of the Community Facilities District to include only property expected to be developed into active adult single family residences, (ii) amend the RMA to adjust the maximum special tax rates based on the planned development within Improvement Area No. 3, and (iii) amend the appropriations limit and maximum bonded indebtedness; and

**WHEREAS**, these proposed changes in the authority conferred upon the City Council by the Community Facilities District are referred to herein as the “Proposed Amendments”; and

**WHEREAS**, there has been no change in the name of the Community Facilities District since its formation, nor is any contemplated here; and

**WHEREAS**, there has been no change to the Facilities and Services authorized to be financed by the Community Facilities District since the formation of the Community Facilities District, nor is any contemplated here; and

**WHEREAS**, the original boundaries of the Community Facilities District are shown on the boundary map approved by Resolution No. 10414, adopted on April 14, 2020, which map was recorded in the official records of the County of Sacramento on April 20, 2020, in Book 130 of Maps of Assessment and Community Facilities Districts at page 27; and

**WHEREAS**, the proposed amended boundaries of Improvement Area No. 3 are shown on the boundary map entitled "Map of Amended Boundaries of Improvement Area No. 3 of City of Folsom Community Facilities District No. 23 (Folsom Ranch)," on file with the City Clerk (the "Amended Boundary Map"); and

**WHEREAS**, no debt has been issued for Improvement Area No. 3 and therefore the changes contemplated herein would not interfere with the timely retirement of any debt; and

**WHEREAS**, the City Council has determined that the public convenience and necessity require the consideration of the Proposed Amendments; and

**WHEREAS**, the City Council is fully advised in this matter;

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

Section 1. The City Council hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the City and that the statements, findings and determinations of the City set forth above are true and correct and that the consideration of the Proposed Amendments to the authority conferred upon the City Council by the Community Facilities District is important to the public welfare of the residents of the City, and involve significant public benefits.

Section 2. It is proposed to (i) amend the boundaries of Improvement Area No. 3 as shown in the Amended Boundary Map, provided, however, that the overall boundaries of the Community Facilities District shall remain unchanged, (ii) replace the Rate and Method of Apportionment as set forth in Exhibit D-3 to the Resolution of Formation, with the Amended Rate and Method of Apportionment set forth in Exhibit A attached hereto, (iii) adjust the appropriations limit for Fiscal Year 2021-22 to \$4,700,000, and (iv) adjust the maximum principal amount of bonded indebtedness that may be issued for and paid by Improvement Area No. 3 to \$15,750,000.

Section 3. The City Council hereby sets Tuesday, December 14, 2021, at 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA 95630, as the time and place for a public hearing to be held by the City Council to consider the Proposed Amendments and all other matters set forth in this resolution. At the public hearing, any persons interested, including all taxpayers, property owners, and registered voters

within the Community Facilities District, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the adoption of the Proposed Amendments or on any other matters set forth herein, will be heard and considered.

Section 4. Any protests to the proposals in this resolution may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of these proceedings must be in writing and must clearly set forth the irregularities and defects to which objection is made. The City Council may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests not presented in person by the protester at the public hearing must be filed with the City Clerk at or before the time fixed for the public hearing in order to be received and considered. Any written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

Section 5. Written protests by a majority of the registered voters residing and registered within the Community Facilities District (if at least six such voters so protest), or by the owners of a majority of the land area within the Community Facilities District not exempt from the special tax, will require suspension of these proceedings for at least one year. If such protests are directed only against certain elements of the Proposed Amendments, only those elements need be excluded from the proceedings.

Section 6. The public hearing may be continued from time to time, but shall be completed within 30 days, except that if the City Council finds that the complexity of the Community Facilities District or the need for public participation requires additional time, the public hearing may be continued from time to time for a period not to exceed 6 months.

Section 7. At the public hearing, the City Council may modify this resolution by eliminating or modifying (by reducing the extent of) any of the Proposed Amendments.

Section 8. At the conclusion of the public hearing, the City Council may abandon these proceedings or may, after passing upon all protests, determine to proceed with conducting special mailed-ballot elections within the Community Facilities District to determine if the Proposed Amendments should be adopted. If, at the conclusion of the public hearing, the City Council determines to proceed with the elections, it expects that the proposed voting procedure will involve an election by the landowners within the Community Facilities District voting in accordance with the Act, as the City Council is informed that during the 90 days prior to the date set for the hearing, there were no registered voters residing within the Community Facilities District. The City Council will require this information to be confirmed before ordering the election.

Section 9. The City Clerk shall give notice of the time and place of the public hearing by publishing a Notice of Public Hearing substantially in the form attached hereto as Exhibit B once in a newspaper of general circulation published in the area of the Community Facilities District, pursuant to section 6061 of the California Government Code, and publication must be completed at least ten (10) days prior to the date set for such public hearing.

Section 10. This Resolution shall take effect from and after its date of adoption.

**PASSED AND ADOPTED** this 9th day of November 2021, by the following roll-call vote:

**AYES:** Councilmember(s):

**NOES:** Councilmember(s):

**ABSENT:** Councilmember(s):

**ABSTAIN:** Councilmember(s):

\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

**EXHIBIT A**

**AMENDED RATE AND METHOD OF APPORTIONMENT**



**AMENDED RATE AND METHOD OF APPORTIONMENT FOR  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 23  
(FOLSOM RANCH)  
Improvement Area No. 3**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 3 (CFD No. 23 IA3) and collected each Fiscal Year in an amount determined by the CFD No. 23 IA3 Administrator through the application of the Amended Rate and Method of Apportionment as described below. All of the real property within CFD No. 23 IA3, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**A. GENERAL DEFINITIONS**

The terms hereinafter set forth have the following meaning:

**"Acre or Acreage"** means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**"Assessor's Parcel" or "Parcel"** means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**"Assessor's Parcel Map"** means an official map of the County Assessor of the County designating lots or parcels by an Assessor's Parcel number.

**"Authorized Services"** means the landscape corridor, enhanced open space and street light maintenance, services, and expenses authorized to be financed by CFD No. 23 IA3.

**"Bond Year"** means a one year period beginning on September 2<sup>nd</sup> in each year and ending on September 1<sup>st</sup> in the following year, unless defined differently in the applicable Indenture.

**"Bonds"** means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 23 IA3 under the Act.

**"CFD No. 23 IA3"** means City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 3.

**“CFD No. 23 IA3 Administrator”** means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 23 IA3 Amended Boundaries”** means the amended boundaries for CFD No. 23 IA3 as set forth in Attachment E.

**“City”** means the City of Folsom.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 23 IA3.

**“County”** means the County of Sacramento.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to June 30 of the previous Fiscal Year.

**“Effective Tax Rate Evaluation”** means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

**“Effective Tax Rate Evaluation Maximum Facilities Special Tax”** means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate”** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Effective Tax Rate Evaluation Minimum Facilities Revenue”** means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 23 IA3 Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Amended Rate and Method of Apportionment.

**“Exempt Property”** means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F. Assessor’s Parcels exempt from the Special Tax pursuant to Section 53340 of the Act shall also be designated as Exempt Property.

**“Facilities Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities

Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 23 IA3, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 23 IA3, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 23 IA3, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA3 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

**"Facilities Special Tax"** means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

**"Facilities Special Tax Escalation Factor"** means two percent (2%) annually.

**"Facilities Special Tax Requirement"** means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 23 IA3 to: (i) Pay Facilities Administrative Expenses in an amount designated by the City; (ii) pay annual debt service on all Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 23 IA3 Administrator pursuant to the Indenture.

**"Facilities Special Tax Term"** means the earlier of Fiscal Year 2079-2080 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued or the first series of Bonds was issued within CFD No. 23 IA3.

**"Fiscal Year"** means the period starting July 1 and ending on the following June 30.

**"Indenture"** means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**"Large Lot Property"** means, for each Fiscal Year, all Taxable Property for which a Large Lot Map was recorded prior to June 30 of the previous Fiscal Year, excluding any portion(s) thereof classified as Developed Property, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential Property. Large Lot Property also means, for each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property as of June 30 of the previous Fiscal Year.

**“Large Lot Map”** means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

**“Maximum Facilities Special Tax”** means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Facilities Special Tax Rate”** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax”** means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax Rate”** means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Special Tax”** means the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Total Effective Tax Rate”** means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

**“Minimum Facilities Revenue”** means the minimum amount of total CFD No. 23 IA3 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Amended Rate and Method of Apportionment.

**“MHD Multi-Family Attached Property”** means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

**“Mixed Use Residential Parcel”** means a mixed use Assessor’s Parcel that is designated for residential land use. If the mixed use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

**“MMD Multi-Family Attached Property”** means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Non-Residential Property”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

**“Open Space Property”** means property within the CFD No. 23 IA3 Amended Boundaries which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

**“Outstanding Bonds”** means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

**“Pay as You Go Costs”** means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 23 IA3.

**“Permit Ready Multi-Family/Non-Residential Property”** means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

**“Planned Development”** means the planned number of Residential Units, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 23 IA3, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Amended Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 23 IA3.

**“Price Point Study”** means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

**“Property Owner Association Property”** means any property within the CFD No. 23 IA3 Amended Boundaries, which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.



**“Proportionately”** means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 23 IA3.

**“Public Property”** means any property within the CFD No. 23 IA3 Amended Boundaries, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

**“Residential Floor Area”** means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by the CFD No. 23 IA3 Administrator by reference to appropriate records kept by the City’s building department. Residential Floor Area for a residential structure will be based on the building permit(s) issued for such structure prior to it being classified as Developed Property, and shall not change as a result of additions or modifications made to such structure after such classification as Developed Property.

**“Residential Lot”** means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

**“Residential Property”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

**“Residential Unit”** means a residential dwelling unit, not including guest quarters or “granny flats” as allowed by the City zoning code.

**“Services Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 23 IA3, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA3 for any other administrative purposes related to the Services Special Tax.

**“Services Special Tax”** means the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

**“Services Special Tax Escalation Factor”** means 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 four percent (4%). In the event that the percentage change is negative, the Services Special Tax Escalation Factor shall be equal to zero.

**“Services Special Tax Requirement”** means the amount of Services Special Tax revenue required in any Fiscal Year for CFD No. 23 IA3 to: (i) Pay Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor’s Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 23 IA3 Administrator.

**“Single-Family Detached Property – MLD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Single-Family Detached Property – SF/SFHD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Special Tax”** means the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

**“Small Lot Final Map Property”** means, for each Fiscal Year, all Taxable Property for which a Small Lot Final Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

**“Small Lot Final Map Remainder Property”** means an Assessor’s Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

**“Small Lot Final Subdivision Map”** means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan



pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the CFD No. 23 IA3 Amended Boundaries that are not exempt from the CFD No. 23 IA3 Special Tax pursuant to law or Section F below.

**“Total Effective Tax Rate”** means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

**“Total Estimated Tax Burden”** means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

**“Trustee”** means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

## **B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor’s Parcels within the CFD No. 23 IA3 Amended Boundaries shall be designated as either Taxable Property or Tax-Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

## **C. FACILITIES SPECIAL TAX**

A Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA3 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Amended Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described

below. The Minimum Facilities Revenue for Fiscal Year 2021-2022 is set forth in Attachment B of this Amended Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2022, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

**C.1. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation**

The Maximum Facilities Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Amended Rate and Method of Apportionment.

**Undeveloped Property Subdividing into Large Lot Property**

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

**Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all

Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

## **C.2. Effective Tax Rate Evaluation**

Prior to the issuance of the first building permit or the first series of Bonds within CFD No. 23 IA3, whichever comes earlier, an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this Amended Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 23 IA3.

### **Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Amended

Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

#### **Effective Tax Rate Evaluation Minimum Facilities Revenue**

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

#### **C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation**

The Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Amended Rate and Method of Apportionment.

#### **Undeveloped Property Subdividing into Large Lot Property**

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.



If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

**Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

#### **C.4. Method of Apportionment of Facilities Special Tax**

Using the definitions and procedures described herein, the CFD No. 23 IA3 Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year as follows:

##### **Prior to an Effective Tax Rate Evaluation**

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

**After an Effective Tax Rate Evaluation**

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

**D. SERVICES SPECIAL TAX**

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA3 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Amended Rate and Method of Apportionment.



**D.1. Increase in the Maximum Services Special Tax**

On each July 1, commencing on July 1, 2022, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**D.2. Method of Apportionment of Services Special Tax**

If, in any Fiscal Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 23 IA3 and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 23 IA3.

Using the definitions and procedures described herein, the CFD No. 23 IA3 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

**E. DELINQUENCIES**

Notwithstanding the above, under no circumstances will the CFD No. 23 IA3 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 23 IA3 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

**F. EXEMPTIONS**

- F.1.** The CFD No. 23 IA3 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, Assessor's Parcels exempt from the Special Tax pursuant to Section 53340 of the Act, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.
- F.2.** The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property shall be prepaid in full by the seller, pursuant to Section K, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.
- F.3.** If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section F.1 above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

**G. TRANSFERS**

Prior to the issuance of the first series of Bonds within CFD No. 23 IA3, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Amended Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 23 IA3 records and prepare the required amendments to Attachment B or,

following an Effective Tax Rate Evaluation, Attachment D of this Amended Rate and Method of Apportionment.

#### **H. INTERPRETATIONS**

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Amended Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Amended Rate and Method of Apportionment of Special Tax.

#### **I. REVIEW/APPEALS**

The CFD No. 23 IA3 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 23 IA3 Administrator shall interpret this Amended Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 23 IA3 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 23 IA3 Administrator shall review the appeal, meet with the appellant if the CFD No. 23 IA3 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 23 IA3 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action, if any, by the City Manager, the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 23 IA3 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

#### **J. MANNER OF COLLECTION**

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 23 IA3, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually

foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

#### **K. PREPAYMENT OF FACILITIES SPECIAL TAX**

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid and permanently satisfied as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Facilities Special Tax obligation shall provide the CFD No. 23 IA3 Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD No. 23 IA3 Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA3 Administrator may charge a fee for providing this service.

##### **K.1. Prepayment in Full**

As of the proposed date of prepayment, the Prepayment Amount shall be calculated as follows:

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the Facilities Special Tax Term, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Prepayment Amount calculation, the Prepayment Amount shall be first allocated to the Redemption Amount. If the Prepayment Amount is insufficient to fund the Redemption Amount, then the Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section K.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 23 IA3, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the "Bond Redemption Amount").

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor's Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the "Redemption Amount").

If the Prepayment Amount exceeds the Redemption Amount, then any remaining Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.



The Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

In addition, the City has the authority to adjust the Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no Facilities Special Tax prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

#### **K.2. Prepayment in Part**

The Facilities Special Tax obligation may be partially prepaid in any percentage of the full Prepayment Amount. The amount of the partial prepayment shall be calculated as in the above Section K.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = ((PE - A) \times F) + A$$

These terms have the following meaning:

**PP** = the Partial Prepayment Amount

**PE** = the Prepayment Amount calculated according to Section K.1 above

**A** = the Administrative Fees and Expenses calculated according to Section K.1 above

**F** = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Facilities Special Tax obligation.

The owner of an Assessor's Parcel who desires to partially prepay the Facilities Special Tax obligation shall notify the CFD No. 23 IA3 Administrator of (i) such owner's intent to partially prepay the Facilities Special Tax obligation, (ii) the amount of partial prepayment expressed in increments equal to percentage of the full Prepayment Amount, and (iii) the company or agency that will be acting as the escrow agent, if applicable. Partial prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA3 Administrator may charge a fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the CFD No. 23 IA3 Administrator shall indicate in the records of CFD No. 23 IA3 that there has been a partial prepayment of the Facilities Special Tax obligation and that a portion of the Facilities Special Tax obligation equal to the outstanding percentage  $(1.00 - F)$  of the remaining Facilities Special Tax obligation shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section C.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

**L. TERM OF SPECIAL TAX**

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2021-2022 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2021-2022 and shall be levied in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Services Special Tax Requirement.



**City of Folsom  
 Community Facilities District No. 23 (Folsom Ranch)  
 Improvement Area No. 3  
 Maximum Special Tax Rates  
 (Fiscal Year 2021-2022)**

<b>Land Use Category</b>	<b>Residential Floor Area</b>	<b>2021-2022 Maximum Facilities Special Tax Rate<sup>(1)</sup></b>	<b>2021-2022 Maximum Services Special Tax Rate<sup>(2)</sup></b>	<b>Taxed Per</b>
<b>Developed Property:</b>				
Single-Family Detached Property – SF/SFHD Zoning	≥ 2,200	\$890	\$100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,199	790	100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	1,800 – 1,999	690	100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	≤ 1,799	590	100	Residential Unit
Single-Family Detached Property – MLD Zoning	Not Applicable	490	100	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,000	500	Acre
MHD Multi-Family Attached Property	Not Applicable	11,700	1,000	Acre
Non-Residential Property	Not Applicable	11,700	1,000	Acre
<b>Small Lot Final Map Property:</b>				
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$590	\$100	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	490	100	Residential Lot

**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 3**  
**Maximum Special Tax Rates**  
**(Fiscal Year 2021-2022)**

<b>Land Use Category</b>	<b>Residential Floor Area</b>	<b>2021-2022 Maximum Facilities Special Tax Rate<sup>(1)</sup></b>	<b>2021-2022 Maximum Services Special Tax Rate<sup>(2)</sup></b>	<b>Taxed Per</b>
<b>Permit Ready Multi-Family/Non-Residential Property</b>	Not Applicable	\$11,700	\$1,000	Acre
<b>Large Lot Property</b>	Not Applicable	\$18,000	\$1,000	Acre
<b>Undeveloped Property</b>	Not Applicable	\$18,000	\$1,000	Acre

- (1) On each July 1, commencing on July 1, 2022, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.
- (2) On each July 1, commencing on July 1, 2022, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 3**  
**Minimum Facilities Revenue**  
**(Fiscal Year 2021-2022)**

<b>Land Use Category</b>	<b>Planned Number of Residential Units / Acres</b>	<b>2021-2022 Developed Property Maximum Facilities Special Tax Rate<sup>(1)(2)</sup></b>	<b>2021-2022 Minimum Facilities Revenue<sup>(1)(3)</sup></b>
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning <sup>(4)</sup>	751	\$590	\$443,090
Single-Family Detached Property – MLD Zoning	168	490	82,320
MMD Multi-Family Attached Property	0.0	30,000	0
MHD Multi-Family Attached Property	0.0	11,700	0
Non-Residential Property	0.0	11,700	0
<b>Total Minimum Facilities Revenue</b>			<b>\$525,410</b>

- (1) On each July 1, commencing on July 1, 2022, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor’s Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of all or a portion of Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning with Residential Floor Area of less than 1,799 square feet.

**ATTACHMENT C**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 3**  
**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**  
**(Fiscal Year 2021-2022)**

<b>Land Use Category</b>	<b>Residential Floor Area</b>	<b>2021-2022 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate<sup>(1)(2)</sup></b>	<b>Taxed Per</b>
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning	≥ 2,200	\$890	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,199	790	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	1,800 – 1,999	690	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	≤ 1,799	590	Residential Unit
Single-Family Detached Property – MLD Zoning	Not Applicable	490	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,000	Acre
MHD Multi-Family Attached Property	Not Applicable	11,700	Acre
Non-Residential Property	Not Applicable	11,700	Acre
<b>Small Lot Final Map Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$590	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	490	Residential Lot

**ATTACHMENT C**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 3**  
**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**  
**(Fiscal Year 2021-2022)**

<b>Land Use Category</b>	<b>Residential Floor Area</b>	<b>2021-2022 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate<sup>(1)(2)</sup></b>	<b>Taxed Per</b>
<b>Permit Ready Multi-Family/Non-Residential Property</b>	Not Applicable	\$11,700	Acre
<b>Large Lot Property</b>	Not Applicable	\$18,000	Acre
<b>Undeveloped Property</b>	Not Applicable	\$18,000	Acre

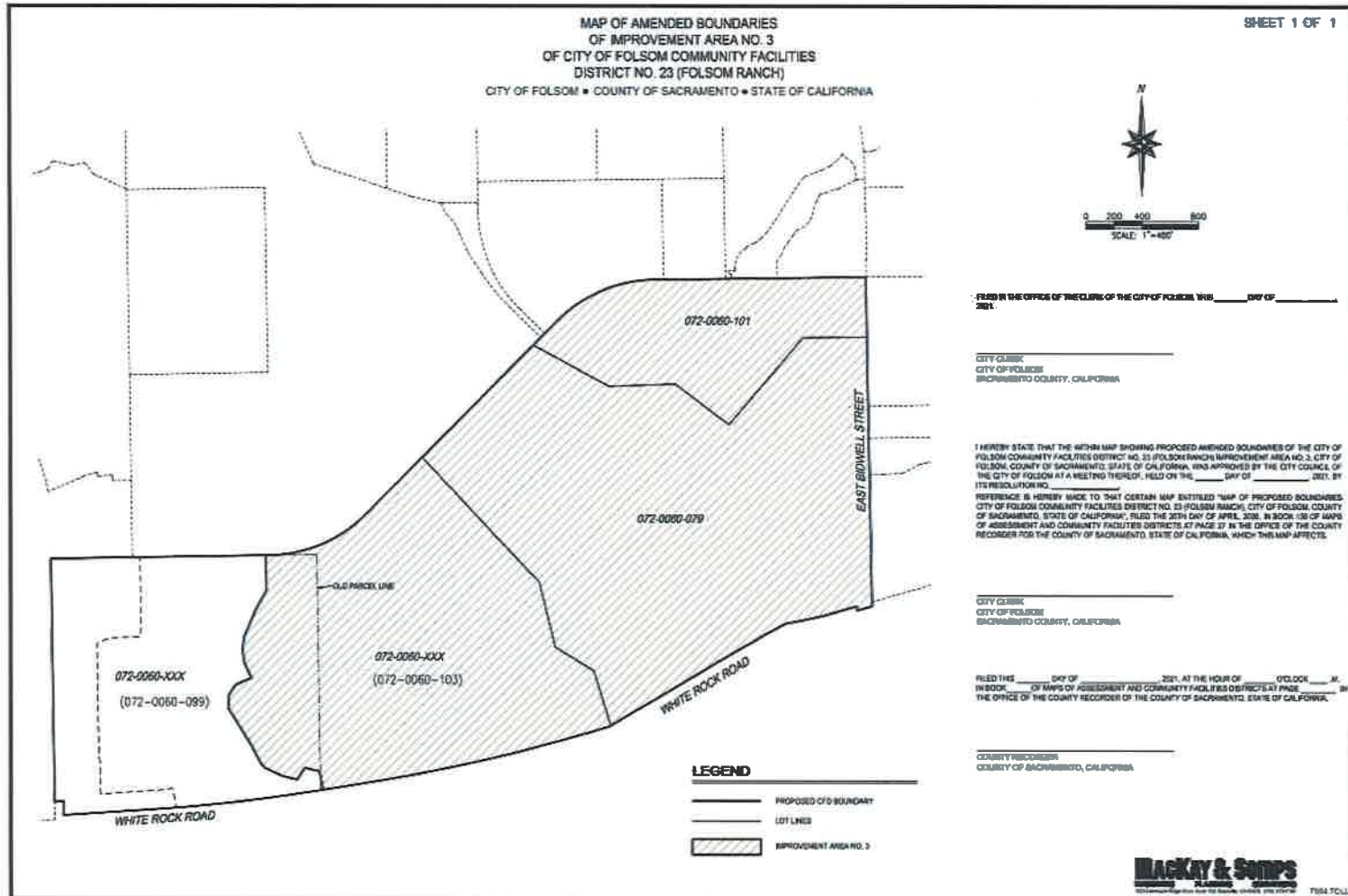
- (1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT D**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 3**  
**Effective Tax Rate Evaluation Minimum Facilities Revenue**  
**(Fiscal Year 2021-2022)**

Land Use Category	Planned Number of Residential Units / Acres <sup>(1)</sup>	2021-2022 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate <sup>(1)(2)(3)</sup>	2021-2022 Effective Tax Rate Evaluation Minimum Facilities Revenue <sup>(1)(2)(4)</sup>
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning <sup>(5)</sup>	751	\$590	\$443,090
Single-Family Detached Property – MLD Zoning	168	490	82,320
MMD Multi-Family Attached Property	0.0	30,000	0
MHD Multi-Family Attached Property	0.0	11,700	0
Non-Residential Property	0.0	11,700	0
<b>Total Effective Tax Rate Evaluation Minimum Facilities Revenue</b>			<b>\$525,410</b>

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor’s Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of all or a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (5) Based upon the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning with Residential Floor Area of less than 1,799 square feet.

**ATTACHMENT E**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 3**  
**Amended Boundaries**





**EXHIBIT B**

**NOTICE OF PUBLIC HEARING  
REGARDING PROPOSED CHANGES TO  
IMPROVEMENT AREA NO. 3 OF THE CITY OF FOLSOM'S COMMUNITY  
FACILITIES DISTRICT NO. 23 (FOLSOM RANCH)**

**Tuesday, December 14, 2021  
6:30 p.m.  
Folsom City Hall  
50 Natoma Street, Folsom, California**

On Tuesday, November 9, 2021, the City Council (the "City Council") of the City of Folsom (the "City") adopted its Resolution No. 10747 (the "Resolution of Consideration") by which it has scheduled a public hearing to give consideration to amending the powers currently conferred upon the City Council by the City's Community Facilities District No. 23 (Folsom Ranch) (the "Community Facilities District") for its Improvement Area No. 3.

At a special election within Improvement Area No. 3 held on May 26, 2020, the City Council was authorized, among other things, to levy a special tax to finance the acquisition and construction of certain public facilities (the "Facilities") and certain public services (the "Services") and to issue debt to finance the Facilities. The Community Facilities District was formed under the "Mello-Roos Community Facilities Act of 1982," Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, commencing with Section 53311 (the "Act").

The Act provides that changes in the powers conferred upon the City Council by the Community Facilities District may be considered and submitted to the qualified electors of the Community Facilities District. The first step in that process is to describe the proposed changes and to schedule and hold a public hearing on them. In its Resolution of Consideration, the City Council has set forth the proposed changes (the "Proposed Amendments") and scheduled the public hearing.

This Notice contains a brief summary of the Proposed Amendments, but you are referred to the Resolution of Consideration for the definitive description of the Proposed Amendments, including a description of the amended rate and method of apportionment.

The Public Hearing: The City of Folsom City Council will hold the public hearing on Tuesday, December 14, 2021, at 6:30 p.m. at the City Hall, 50 Natoma Street, Folsom, CA 95630.

At the public hearing, any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard, and the oral or written testimony of all interested persons or taxpayers for or against any of the proposed changes to the authority conferred on the City Council by the Community Facilities District, will be heard and considered.

Any protests to the proposed changes may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. The City Council may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests not presented in person by the protester at the public hearing must be filed with the City Clerk at or before the time fixed for the public hearing in order to be received and considered. Any written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

Written protests by a majority of the registered voters residing and registered within the Community Facilities District (provided they number at least 6), or by the owners of a majority of the land area within the Community Facilities District not exempt from the special tax, will require suspension of these proceedings for at least one year. If such protests are directed only against certain elements of the proposed changes, only those elements need be excluded from the proceedings.

The Proposed Amendments: The proposed changes are to amend the authority to (i) amend the boundaries of Improvement Area No. 3 of the Community Facilities District to include only property expected to be developed into active adult single family residences, (ii) amend the RMA to adjust the maximum special tax rates based on the planned development within Improvement Area No. 3, and (iii) amend the appropriations limit and maximum bonded indebtedness. For a definitive description of the Proposed Amendments you are referred to the Resolution of Consideration itself, a copy of which is available from the City Clerk.

For the Proposed Amendments to take effect, a public hearing must be held on the Proposed Amendments and the qualified electors within the Community Facilities District must approve the Proposed Amendments by a two-thirds vote. As the Community Facilities District is uninhabited, or inhabited by fewer than 12 registered voters, the qualified electors are, pursuant to the Act, the owners of property within the Community Facilities District.

Dated: [\_\_\_\_\_] , 2021.

City Clerk  
City of Folsom

## ATTACHMENT 2

**RESOLUTION NO. 10748**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM  
 APPROVING A PROPOSED BOUNDARY MAP AND DESIGNATING  
 IMPROVEMENT AREA NO 7 WITHIN THE “CITY OF FOLSOM  
 COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH)”  
 AND TO LEVY SPECIAL TAXES THEREIN**

**WHEREAS**, the City Council (the “City Council”) of the City of Folsom (the “City”) conducted proceedings under and pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the “Act”), among other things, (i) to form a community facilities district within the City of Folsom, designated and known as “City of Folsom Community Facilities District No. 23 (Folsom Ranch)” (the “Community Facilities District”), and (ii) to authorize a special tax (the “Special Tax”) to finance the acquisition and construction of certain public facilities (the “Facilities”) and certain public services (the “Services”), all as set forth in the City Council’s Resolution No. 10435 (the “Resolution of Formation”), adopted on May 26, 2020; and

**WHEREAS**, in accordance with the provisions of Section 53312.7 and 53345.8 of the California Government Code, the City Council previously adopted the Local Goals and Policies (the “City Goals and Policies”) concerning the use of the Act; and

**WHEREAS**, pursuant to Section 53350 of the Act, it is proposed to designate a new improvement area within the Community Facilities District named “City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 7” (“Improvement Area No. 7”); and

**WHEREAS**, the proposed boundaries of Improvement Area No. 7, are shown on the boundary map entitled “Map of Boundaries City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 7,” on file with the City Clerk (the “Boundary Map”); and

**WHEREAS**, the Facilities and Services authorized to be financed through the Community Facilities District are set forth in Exhibit A and Exhibit B to the Resolution of Formation, respectively; and

**WHEREAS**, the City finds that the Facilities and Services are necessary to meet increased demands placed upon the City as the result of new development occurring and anticipated within Improvement Area No. 7; and

**WHEREAS**, the types of incidental expenses proposed to be incurred are set forth in Exhibit C attached to the Resolution of Formation;

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

**Section 1.** The City Council finds and determines that the foregoing recitals are true and correct.

Section 2. The City Council hereby designates Improvement Area No. 7 within the Community Facilities District. The City Council hereby finds and determines that Improvement Area No. 7 is in compliance with the City Goals and Policies, and to the extent of any non-compliance with the City Goals and Policies, such compliance is hereby waived by the City.

Section 3. The boundaries of the territory proposed for inclusion in Improvement Area No. 7 are more particularly described and shown on the Boundary Map now on file in the office of the City Clerk. The City Council hereby approves the Boundary Map and adopts the boundaries shown on the Boundary Map as describing the extent of the territory included in Improvement Area No. 7. The City finds that the Boundary Map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code and directs the City Clerk to certify the adoption of this resolution on the face of the Boundary Map, and to file a copy of the Boundary Map with the County Recorder for placement in the Book of Maps of Assessment and Community Facilities Districts no later than fifteen (15) days after the adoption of this resolution.

Section 4. It is the intention of the City Council to finance the Facilities and fund the Services described in Exhibits A and B, respectively, attached to the Resolution of Formation and made a part hereof. All of the Facilities to be financed will have an estimated useful life of at least five (5) years. They are public facilities that the City or another governmental entity is authorized by law to construct, own or operate or to which they may contribute revenue. The Facilities to be financed need not be physically located within the Community Facilities District.

Section 5. Except where funds are otherwise available, special taxes sufficient to pay for all Facilities and Services will be annually levied within Improvement Area No. 7. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure the related levy of the special tax shall attach to all nonexempt real property within Improvement Area No. 7, and the lien shall continue in force and effect until the special tax obligation (or any portion thereof) is paid or prepaid and permanently satisfied and the related special tax lien is cancelled in accordance with law or until collection of the related special tax by the City ceases. The rate and method of apportionment of the special tax to be levied in Improvement Area No. 7 is set forth in Exhibit A, attached to this resolution. The special tax with respect to the Facilities on any parcel within Improvement Area No. 7 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 Improvement Area No. 7. The special tax with respect to the Services shall be levied perpetually until the collection of the special tax by the City ceases. In the case of any special tax to pay for the Facilities and to be levied against any parcel used for private residential purposes, under no circumstances will the special tax levied against any parcel be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within Improvement Area No. 7 by more than 10 percent of the special tax for Facilities that would be levied in that Fiscal Year but for such delinquencies or defaults.

Section 6. Advances of funds or contributions of work in kind from any lawful source, specifically including owners of property within Improvement Area No. 7, may be reimbursed from bond proceeds or from special tax revenue or both to the extent of the lesser of the value or cost of the contribution, but any agreement to do so shall not constitute a debt or liability of the City.



To the extent the Facilities will not be constructed by the City, in the opinion of the City Council, the public interest will not be served by allowing the property owners in the Community Facilities District to intervene in a public bidding process pursuant to Section 53329.5(a) of the Act.

Section 7. The City intends to reserve to itself the right and authority to allow bond tenders from any interested landowner within Improvement Area No. 7 to be accepted under Government Code sections 53344.1 and 53356.8 in full or partial payment of any installment of the special taxes or the interest or penalties thereon.

Section 8. The City Council hereby sets Tuesday, December 14, 2021, 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA, 95630, as the time and place for the public hearing on the designation of Improvement Area No. 7. At the hearing, oral and written testimony concerning the designation of Improvement Area No. 7 and the furnishing of the Facilities and Services will be heard and protests will be considered from registered voters residing within Improvement Area No. 7 and persons owning real property within Improvement Area No. 7. Written protests against the designation of Improvement Area No. 7 by a majority of the registered voters (if at least six such voters protest) or by the owners of a majority of the land which would be subject to special taxation within the Improvement Area No. 7 will require the suspension of proceedings to designate the Improvement Area No. 7 and to levy the specified special tax for at least one year. If such protests constitute a majority protest and are directed only against a specified type or types of the Facilities and Services or against levying a specified special tax, only those types of Facilities, Services or the specified special tax will be eliminated from the proceedings. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. Written protests must be filed with the City Clerk at or before the time fixed for the hearing.

Section 9. Any bonds issued in these proceedings shall be callable in accordance with the provisions of the Act and as more specifically to be set forth in any resolution authorizing the issuance of bonds or indenture authorized thereby.

Section 10. It is anticipated that the special tax will be billed as a separate line item on the regular secured property tax bills, and will be subject to the same enforcement mechanism, and the same penalties and interest for late payment, as regular ad valorem property taxes. However, the City reserves the right, under Section 53340, to utilize any method of collecting the special tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing, and when lawfully available, judicial foreclosure of the special tax lien.

Section 11. The City Manager or his/her designee is directed to study Improvement Area No. 7 and prepare for filing at the public hearing the report required by Section 53321.5 of the Act (the "Hearing Report"). The City Manager may delegate to consultants the duty to perform the study and prepare the Hearing Report.

Section 12. If elections are held in these proceedings, it is the intention of the City Council that the electors will be the owners of property within Improvement Area No. 7 pursuant to Sections 53326 and 53350 of the Act.

Section 13. The City Council also intends to establish the annual appropriations limit of Improvement Area No. 7 at \$3,800,000, for the 2021-22 fiscal year.

Section 14. The City Clerk is hereby directed to have the Notice of Public Hearing in the form attached to this resolution as Exhibit B published once in a newspaper of general circulation in the vicinity of Improvement Area No. 7, no later than ten (10) days prior to the public hearing.



Section 15. This resolution shall take effect from and after its adoption.

**PASSED AND ADOPTED** this 9th day of November, 2021, by the following roll-call vote:

**AYES:** Councilmember(s):

**NOES:** Councilmember(s):

**ABSENT:** Councilmember(s):

**ABSTAIN:** Councilmember(s):

\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

**EXHIBIT A**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH),  
IMPROVEMENT AREA NO. 7**

**RATE AND METHOD OF APPORTIONMENT FOR  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 23  
(FOLSOM RANCH)  
Improvement Area No. 7**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 7 (CFD No. 23 IA7) and collected each Fiscal Year in an amount determined by the CFD No. 23 IA7 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 23 IA7, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**A. GENERAL DEFINITIONS**

The terms hereinafter set forth have the following meaning:

**"Acre or Acreage"** means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**"Assessor's Parcel" or "Parcel"** means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**"Assessor's Parcel Map"** means an official map of the County Assessor of the County designating lots or parcels by an Assessor's Parcel number.

**"Authorized Services"** means the landscape corridor, enhanced open space and street light maintenance, services, and expenses authorized to be financed by CFD No. 23 IA7.

**"Bond Year"** means a one year period beginning on September 2<sup>nd</sup> in each year and ending on September 1<sup>st</sup> in the following year, unless defined differently in the applicable Indenture.

**"Bonds"** means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 23 IA7 under the Act.

**"CFD No. 23 IA7"** means City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 7.

**“CFD No. 23 IA7 Administrator”** means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 23 IA7”** means City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 7.

**“CFD No. 23 IA7 Boundaries”** means the boundaries for CFD No. 23 IA7, including the area designated as Zone 1 and Zone 2, as set forth in Attachment E.

**“City”** means the City of Folsom.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 23 IA7.

**“County”** means the County of Sacramento.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to June 30 of the previous Fiscal Year.

**“Effective Tax Rate Evaluation”** means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

**“Effective Tax Rate Evaluation Maximum Facilities Special Tax”** means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate”** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Effective Tax Rate Evaluation Minimum Facilities Revenue”** means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 23 IA7 Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

**“Exempt Property”** means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F. Assessor’s Parcels exempt from the Special Tax pursuant to Section 53340 of the Act shall also be designated as Exempt Property.

**“Facilities Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs

of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 23 IA7, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 23 IA7, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 23 IA7, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA7 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

**"Facilities Special Tax"** means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

**"Facilities Special Tax Escalation Factor"** means two percent (2%) annually.

**"Facilities Special Tax Requirement"** means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 23 IA7 to: (i) Pay Facilities Administrative Expenses in an amount designated by the City; (ii) pay annual debt service on all Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 23 IA7 Administrator pursuant to the Indenture.

**"Facilities Special Tax Term"** means the earlier of Fiscal Year 2079-2080 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued or the first series of Bonds was issued within CFD No. 23 IA7.

**"Fiscal Year"** means the period starting July 1 and ending on the following June 30.

**"Indenture"** means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**"Large Lot Property"** means, for each Fiscal Year, all Taxable Property for which a Large Lot Map was recorded prior to June 30 of the previous Fiscal Year, excluding any portion(s) thereof classified as Developed Property, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential

Property. Large Lot Property also means, for each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property as of June 30 of the previous Fiscal Year.

**“Large Lot Map”** means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

**“Maximum Facilities Special Tax”** means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Facilities Special Tax Rate”** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax”** means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax Rate”** means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Special Tax”** means the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Total Effective Tax Rate”** means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

**“Minimum Facilities Revenue”** means the minimum amount of total CFD No. 23 IA7 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment.

**“MHD Multi-Family Attached Property”** means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

**“Mixed Use Residential Parcel”** means a mixed use Assessor’s Parcel that is designated for residential land use. If the mixed use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall



be classified as a Mixed Use Residential Parcel and the remaining non-residential land use of the Assessor's Parcel shall be classified as Non-Residential Property.

**"MMD Multi-Family Attached Property"** means all Assessor's Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor's Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**"Non-Residential Property"** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

**"Open Space Property"** means property within the CFD No. 23 IA7 Boundaries, which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

**"Outstanding Bonds"** means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

**"Pay as You Go Costs"** means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 23 IA7.

**"Permit Ready Multi-Family/Non-Residential Property"** means an Assessor's Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor's Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor's Parcel as Permit Ready Multi-Family/Non-Residential Property.

**"Planned Development"** means the planned number of Residential Units, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 23 IA7, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 23 IA7.

**"Price Point Study"** means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

**"Property Owner Association Property"** means any property within the CFD No. 23 IA7 Boundaries, which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.



**“Proportionately”** means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 23 IA7.

**“Public Property”** means any property within the CFD No. 23 IA7 Boundaries, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

**“Residential Floor Area”** means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by the CFD No. 23 IA7 Administrator by reference to appropriate records kept by the City’s building department. Residential Floor Area for a residential structure will be based on the building permit(s) issued for such structure prior to it being classified as Developed Property, and shall not change as a result of additions or modifications made to such structure after such classification as Developed Property.

**“Residential Lot”** means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

**“Residential Property”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

**“Residential Unit”** means a residential dwelling unit, not including guest quarters or “granny flats” as allowed by the City zoning code.

**“Services Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 23 IA7, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA7 for any other administrative purposes related to the Services Special Tax.

**“Services Special Tax”** means the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

**“Services Special Tax Escalation Factor”** means 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 four percent (4%). In the event that the percentage change is negative, the Services Special Tax Escalation Factor shall be equal to zero.

**“Services Special Tax Requirement”** means the amount of Services Special Tax revenue required in any Fiscal Year for CFD No. 23 IA7 to: (i) Pay Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor’s Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 23 IA7 Administrator.

**“Single-Family Detached Property – MLD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Single-Family Detached Property – SF/SFHD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Special Tax”** means the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

**“Small Lot Final Map Property”** means, for each Fiscal Year, all Taxable Property for which a Small Lot Final Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

**“Small Lot Final Map Remainder Property”** means an Assessor’s Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

**“Small Lot Final Subdivision Map”** means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan

pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the CFD No. 23 IA7 Boundaries that are not exempt from the CFD No. 23 IA7 Special Tax pursuant to law or Section F below.

**“Total Effective Tax Rate”** means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

**“Total Estimated Tax Burden”** means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

**“Trustee”** means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

**“Zone 1”** means that area within the CFD No. 23 IA7 Boundaries as set forth in Attachment E.

**“Zone 2”** means that area within the CFD No. 23 IA7 Boundaries as set forth in Attachment E.

#### **B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor’s Parcels within the CFD No. 23 IA7 Boundaries shall be designated as either Taxable Property or Tax-Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

#### **C. FACILITIES SPECIAL TAX**

A Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA7 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2021-2022 is set forth in Attachment B of this Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2022, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

**C.1. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation**

The Maximum Facilities Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Rate and Method of Apportionment.

**Undeveloped Property Subdividing into Large Lot Property**

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

### **Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

### **C.2. Effective Tax Rate Evaluation**

Prior to the issuance of the first building permit or the first series of Bonds within CFD No. 23 IA7, whichever comes earlier, an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 23 IA7.

### **Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential



Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

#### **Effective Tax Rate Evaluation Minimum Facilities Revenue**

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

#### **C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation**

The Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Rate and Method of Apportionment.

#### **Undeveloped Property Subdividing into Large Lot Property**

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any

remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

**Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate



Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

#### **C.4. Method of Apportionment of Facilities Special Tax**

Using the definitions and procedures described herein, the CFD No. 23 IA7 Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year as follows:

##### **Prior to an Effective Tax Rate Evaluation**

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied

Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

**After an Effective Tax Rate Evaluation**

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

**D. SERVICES SPECIAL TAX**

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA7 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

**D.1. Increase in the Maximum Services Special Tax**

On each July 1, commencing on July 1, 2022, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**D.2. Method of Apportionment of Services Special Tax**

If, in any Fiscal Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 23 IA7 and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 23 IA7.

Using the definitions and procedures described herein, the CFD No. 23 IA7 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

**E. DELINQUENCIES**

Notwithstanding the above, under no circumstances will the CFD No. 23 IA7 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 23 IA7 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than

ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

## **F. EXEMPTIONS**

- F.1.** The CFD No. 23 IA7 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, Assessor's Parcels exempt from the Special Tax pursuant to Section 53340 of the Act, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.
- F.2.** The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property shall be prepaid in full by the seller, pursuant to Section K, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.
- F.3.** If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section F.1 above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

## **G. TRANSFERS**

Prior to the issuance of the first series of Bonds within CFD No. 23 IA7, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation

Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 23 IA7 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

#### **H. INTERPRETATIONS**

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

#### **I. REVIEW/APPEALS**

The CFD No. 23 IA7 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 23 IA7 Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 23 IA7 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 23 IA7 Administrator shall review the appeal, meet with the appellant if the CFD No. 23 IA7 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 23 IA7 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action, if any, by the City Manager, the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 23 IA7 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

#### **J. MANNER OF COLLECTION**

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 23 IA7, may, at the sole discretion of the



City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

#### **K. PREPAYMENT OF FACILITIES SPECIAL TAX**

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid and permanently satisfied as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Facilities Special Tax obligation shall provide the CFD No. 23 IA7 Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD No. 23 IA7 Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA7 Administrator may charge a fee for providing this service.

##### **K.1. Prepayment in Full**

As of the proposed date of prepayment, the Prepayment Amount shall be calculated as follows:

**Step 1:** Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

**Step 2:** Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the Facilities Special Tax Term, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

**Step 3:** Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Prepayment Amount calculation, the Prepayment Amount shall be first allocated to the Redemption Amount. If the Prepayment

Amount is insufficient to fund the Redemption Amount, then the Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section K.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 23 IA7, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the "Bond Redemption Amount").

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor's Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the "Redemption Amount").



If the Prepayment Amount exceeds the Redemption Amount, then any remaining Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

In addition, the City has the authority to adjust the Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no Facilities Special Tax prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

**K.2. Prepayment in Part**

The Facilities Special Tax obligation may be partially prepaid in any percentage of the full Prepayment Amount. The amount of the partial prepayment shall be calculated as in the above Section K.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = ((PE - A) \times F) + A$$

These terms have the following meaning:

**PP** = the Partial Prepayment Amount

**PE** = the Prepayment Amount calculated according to Section K.1 above

**A** = the Administrative Fees and Expenses calculated according to Section K.1 above

**F** = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Facilities Special Tax obligation.

The owner of an Assessor's Parcel who desires to partially prepay the Facilities Special Tax obligation shall notify the CFD No. 23 IA7 Administrator of (i) such owner's intent to partially prepay the Facilities Special Tax obligation, (ii) the amount of partial prepayment expressed in increments equal to percentage of the full Prepayment Amount, and (iii) the company or agency that will be acting as the escrow agent, if applicable. Partial prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA7 Administrator may charge a fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the CFD No. 23 IA7 Administrator shall indicate in the records of CFD No. 23 IA7 that there has been a partial prepayment of the

Facilities Special Tax obligation and that a portion of the Facilities Special Tax obligation equal to the outstanding percentage (1.00 – F) of the remaining Facilities Special Tax obligation shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section C.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

**L. TERM OF SPECIAL TAX**

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2021-2022 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2021-2022 and shall be levied in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Services Special Tax Requirement.

**ATTACHMENT A**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 7**  
**Maximum Special Tax Rates**  
**(Fiscal Year 2021-2022)**

<b>Land Use Category</b>	<b>Residential Floor Area</b>	<b>2021-2022 Maximum Facilities Special Tax Rate<sup>(1)</sup></b>	<b>2021-2022 Maximum Services Special Tax Rate<sup>(2)</sup></b>	<b>Taxed Per</b>
<b>Developed Property:</b>				
Zone 1: Single-Family Detached Property – SF/SFHD Zoning	≥ 2,900	\$2,450	\$177	Residential Unit
Zone 1: Single-Family Detached Property – SF/SFHD Zoning	2,700 – 2,899	2,390	177	Residential Unit
Zone 1: Single-Family Detached Property – SF/SFHD Zoning	≤ 2,699	2,350	177	Residential Unit
Zone 2: Single-Family Detached Property – SF/SFHD Zoning	≥ 3,325	3,075	177	Residential Unit
Zone 2: Single-Family Detached Property – SF/SFHD Zoning	3,000 – 3,324	2,950	177	Residential Unit
Zone 2: Single-Family Detached Property – SF/SFHD Zoning	≤ 2,999	2,845	177	Residential Unit
Single-Family Detached Property – MLD Zoning	Not Applicable	2,350	177	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,000	500	Acre
MHD Multi-Family Attached Property	Not Applicable	11,700	1,000	Acre
Non-Residential Property	Not Applicable	11,700	1,000	Acre
<b>Small Lot Final Map Property:</b>				
Zone 1: Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$2,350	\$177	Residential Lot
Zone 2: Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	2,845	177	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	2,350	177	Residential Lot

**ATTACHMENT A  
 City of Folsom  
 Community Facilities District No. 23 (Folsom Ranch)  
 Improvement Area No. 7  
 Maximum Special Tax Rates  
 (Fiscal Year 2021-2022)**

<b>Land Use Category</b>	<b>Residential Floor Area</b>	<b>2021-2022 Maximum Facilities Special Tax Rate<sup>(1)</sup></b>	<b>2021-2022 Maximum Services Special Tax Rate<sup>(2)</sup></b>	<b>Taxed Per</b>
<b>Permit Ready Multi-Family/Non-Residential Property</b>	Not Applicable	\$11,700	\$1,000	Acre
<b>Large Lot Property</b>	Not Applicable	\$18,000	\$1,000	Acre
<b>Undeveloped Property</b>	Not Applicable	\$18,000	\$1,000	Acre

- (1) On each July 1, commencing on July 1, 2022, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.
- (2) On each July 1, commencing on July 1, 2022, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 7**  
**Minimum Facilities Revenue**  
**(Fiscal Year 2021-2022)**

<b>Land Use Category</b>	<b>Planned Number of Residential Units / Acres</b>	<b>2021-2022 Developed Property Maximum Facilities Special Tax Rate<sup>(1)(2)</sup></b>	<b>2021-2022 Minimum Facilities Revenue<sup>(1)(3)</sup></b>
<b>Developed Property:</b>			
Zone 1: Single-Family Detached Property – SF/SFHD Zoning <sup>(4)</sup>	101	\$2,350	\$237,350
Zone 2: Single-Family Detached Property – SF/SFHD Zoning <sup>(4)</sup>	110	2,845	312,950
Single-Family Detached Property – MLD Zoning	0	2,350	0
MMD Multi-Family Attached Property	0.0	30,000	0
MHD Multi-Family Attached Property	0.0	11,700	0
Non-Residential Property	0.0	11,700	0
<b>Total Minimum Facilities Revenue</b>			<b>\$550,300</b>

- (1) On each July 1, commencing on July 1, 2022, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor’s Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of all or a portion of Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Zone 1: Single-Family Detached Property – SF/SFHD Zoning with Residential Floor Area of less than 2,699 square feet and Zone 2: Single-Family Detached Property – SF/SFHD Zoning with Residential Floor Area of less than 2,999 square feet.

**ATTACHMENT C**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 7**  
**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**  
**(Fiscal Year 2021-2022)**

<b>Land Use Category</b>	<b>Residential Floor Area</b>	<b>2021-2022 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate<sup>(1)(2)</sup></b>	<b>Taxed Per</b>
<b>Developed Property:</b>			
Zone 1: Single-Family Detached Property – SF/SFHD Zoning	≥ 2,900	\$2,450	Residential Unit
Zone 1: Single-Family Detached Property – SF/SFHD Zoning	2,700 – 2,899	2,390	Residential Unit
Zone 1: Single-Family Detached Property – SF/SFHD Zoning	≤ 2,699	2,350	Residential Unit
Zone 2: Single-Family Detached Property – SF/SFHD Zoning	≥ 3,325	3,075	Residential Unit
Zone 2: Single-Family Detached Property – SF/SFHD Zoning	3,000 – 3,324	2,950	Residential Unit
Zone 2: Single-Family Detached Property – SF/SFHD Zoning	≤ 2,999	2,845	Residential Unit
Single-Family Detached Property – MLD Zoning	Not Applicable	2,350	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,000	Acre
MHD Multi-Family Attached Property	Not Applicable	11,700	Acre
Non-Residential Property	Not Applicable	11,700	Acre
<b>Small Lot Final Map Property:</b>			
Zone 1: Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$2,350	Residential Lot
Zone 2: Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	2,845	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	2,350	Residential Lot



**ATTACHMENT C**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 7**  
**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**  
**(Fiscal Year 2021-2022)**

<b>Land Use Category</b>	<b>Residential Floor Area</b>	<b>2021-2022 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate<sup>(1)(2)</sup></b>	<b>Taxed Per</b>
<b>Permit Ready Multi-Family/Non-Residential Property</b>	Not Applicable	\$11,700	Acre
<b>Large Lot Property</b>	Not Applicable	\$18,000	Acre
<b>Undeveloped Property</b>	Not Applicable	\$18,000	Acre

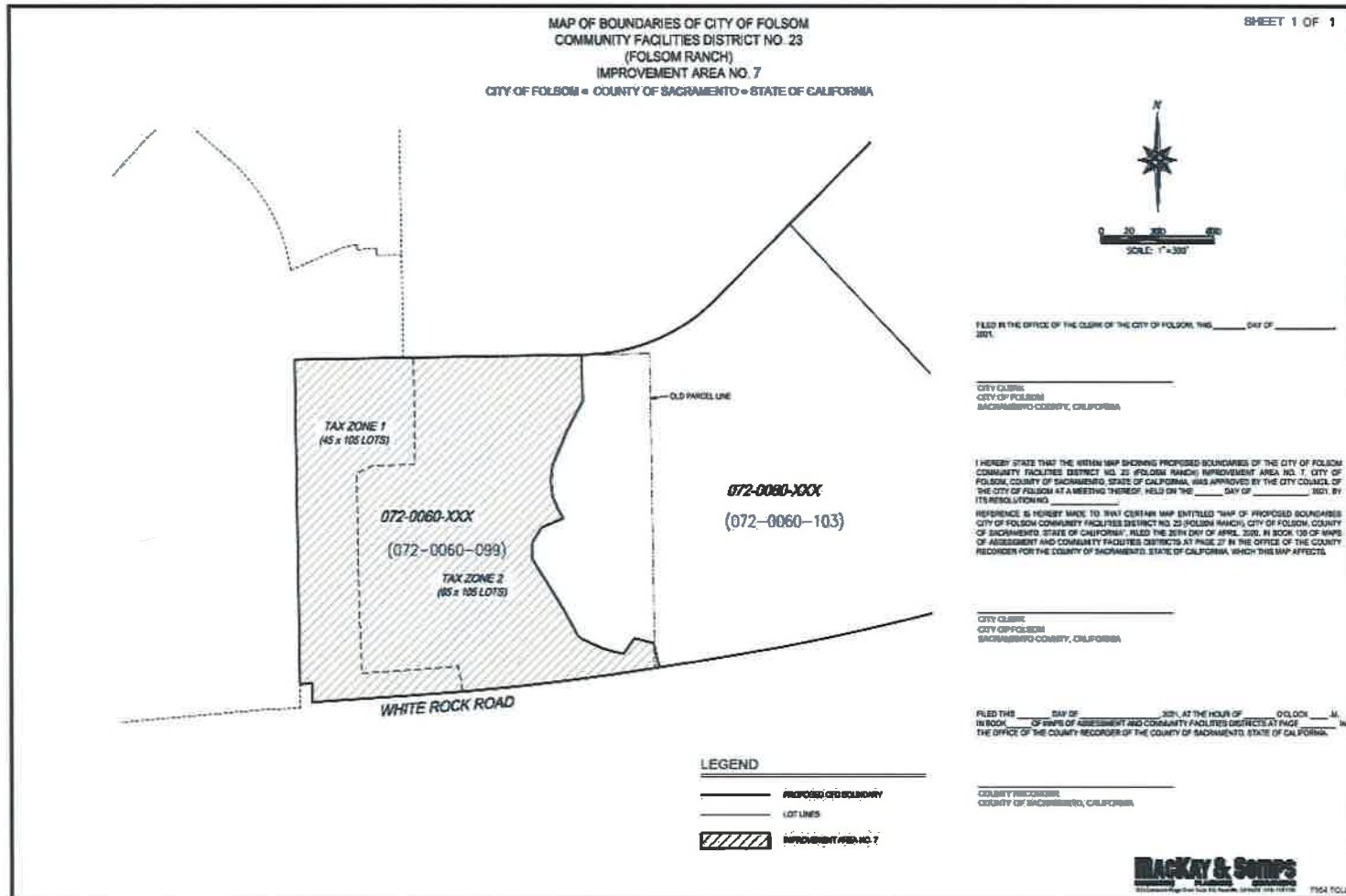
- (1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT D**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 7**  
**Effective Tax Rate Evaluation Minimum Facilities Revenue**  
**(Fiscal Year 2021-2022)**

<b>Land Use Category</b>	<b>Planned Number of Residential Units / Acres<sup>(1)</sup></b>	<b>2021-2022 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate<sup>(1)(2)(3)</sup></b>	<b>2021-2022 Effective Tax Rate Evaluation Minimum Facilities Revenue<sup>(1)(2)(4)</sup></b>
<b>Developed Property:</b>			
Zone 1: Single-Family Detached Property – SF/SFHD Zoning <sup>(5)</sup>	101	\$2,350	\$237,350
Zone 2: Single-Family Detached Property – SF/SFHD Zoning <sup>(5)</sup>	110	2,845	312,950
Single-Family Detached Property – MLD Zoning	0	2,350	0
MMD Multi-Family Attached Property	0.0	30,000	0
MHD Multi-Family Attached Property	0.0	11,700	0
Non-Residential Property	0.0	11,700	0
<b>Total Effective Tax Rate Evaluation Minimum Facilities Revenue</b>			<b>\$550,300</b>

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor’s Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of all or a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (5) Based upon the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for Zone 1: Single-Family Detached Property – SF/SFHD Zoning with Residential Floor Area of less than 2,699 square feet and Zone 2: Single-Family Detached Property – SF/SFHD Zoning with Residential Floor Area of less than 2,999 square feet.

**ATTACHMENT E**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 7**  
**Boundaries and Zones**



**EXHIBIT B**

**NOTICE OF PUBLIC HEARING REGARDING THE FORMATION OF THE  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 23  
(FOLSOM RANCH), DESIGNATION OF IMPROVEMENT AREA NO. 7 WITHIN THE  
DISTRICT  
AND LEVYING OF SPECIAL TAXES THEREIN**

NOTICE IS HEREBY GIVEN that on Tuesday, November 9, 2020, the City of Folsom (the "City") duly adopted its Resolution No. 10748 (the "Resolution Designating Improvement Area") wherein it declared its intention to designate a new improvement area within City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "Community Facilities District") to be known as "City of Folsom Community Facilities District No. 23, Improvement Area No. 7 (Folsom Ranch)" ("Improvement Area No. 7"), and to levy a special tax within Improvement Area No. 7 and to pay the costs of certain public facilities, including, transportation, water system, recycled water, drainage system, wastewater system, park, parkway and open space, and infrastructure required by the specific plan infrastructure fee; and other incidental expenses and bond issuance costs (collectively, the "Facilities") and of certain services, including reconstruction and/or rehabilitation, operation, maintenance, repair and replacement of open space improvements, landscape corridors and paseos, streetlights, medians, neighborhood parks, storm water management, and water quality controls, and certain costs related to the maintenance of the services described above (collectively, the "Services"), all as more specifically described in the Resolution Designating Improvement Area, and its Resolution No. 10749 (the "Resolution Declaring the Necessity for Incurring Bonded Indebtedness") wherein it declared its intention to incur bonded indebtedness in a principal amount not to exceed \$14,250,000 for Improvement Area No. 7, to finance the acquisition and construction of the Facilities under and pursuant to the terms and provisions of the "Mello Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act").

This Notice contains a brief summary of the Proposal (as described below), but you are referred to the City's Resolution Designating Improvement Area and its Resolution Declaring the Necessity for Incurring Bonded Indebtedness on file with the City Clerk for the definitive description of the Proposal, including a description of the Facilities and the Services, a list of incidental expenses and bond issuance costs and the rates and methods of apportionment of the special tax.

The Proposal consists of the authorization of (1) a special tax within Improvement Area No. 7, (2) the issuance of bonds for Improvement Area No. 7 to finance the Facilities and (3) the annual appropriations limit of the Community Facilities District for Improvement Area No. 7 of \$3,800,000 for the 2021-22 fiscal year.

In order to confer the authority upon the City to levy the special tax and to issue the bonds, a public hearing must be held on the Proposal, the City must determine to designate Improvement Area No. 7 and the qualified electors within Improvement Area No. 7 must approve the Proposal by a two-thirds vote. Where a proposed improvement area is uninhabited or inhabited by fewer than 12 registered voters (there are no registered voters inhabiting Improvement Area No. 7) the

qualified electors are, pursuant to the Act, the owners of property within the proposed improvement area.

THIS IS THE NOTICE OF THE PUBLIC HEARING.

The public hearing will be held during the City Council meeting on Tuesday, December 14, 2021, at 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA, 95630.

At the hearing, oral and written testimony of all interested persons or potential special taxpayers for or against the designation of Improvement Area No. 7 within the Community Facilities District, the furnishing of the Facilities, the authorization to levy a special tax within Improvement Area No. 7 and the authorization to issue the bonds will be heard. Written protests against the designation of Improvement Area No. 7 delivered to the City Clerk at or before the time set for the hearing by either registered voters residing within, or the owners of property within, Improvement Area No. 7 will be counted toward a possible majority protest against such formation and designation. Written protests by a majority of the registered voters residing within Improvement Area No. 7 (provided they number at least 6) or by the owners of a majority of the land area within Improvement Area No. 7 that is or will be subject to the related special tax, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, will require the designation of Improvement Area No. 7 eliminated from immediate consideration and prevent its being included in a subsequent proceedings for at least one year. If such protests constitute a majority protest and are directed only against the furnishing of a specified type or types of the Facilities or Services or against levying a specified special tax, only those types of Facilities, Services or the specified special tax will be eliminated from the proceedings.

Questions should be directed to Stacey Tamagni, Chief Financial Officer, telephone (916) 461-6080.

Dated: \_\_\_\_\_, 2021.

City Clerk of the  
CITY OF FOLSOM

## **ATTACHMENT 3**



**RESOLUTION NO. 10749**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM  
DECLARING THE NECESSITY FOR INCURRING BONDED  
INDEBTEDNESS IN AND FOR IMPROVEMENT AREA NO. 7 WITHIN  
THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23  
(FOLSOM RANCH) AND CALLING FOR A PUBLIC HEARING  
THEREON**

**WHEREAS**, the City Council (the “City Council”) of the City of Folsom declares and finds that in order to finance the acquisition and construction of public improvements described in Resolution No. 10748 (the “Resolution Designating Improvement Area”), it is necessary to incur bonded indebtedness; and

**WHEREAS**, the purpose for which the proposed debt is to be incurred is to provide the funds necessary to pay for the cost of said public improvements;

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

Section 1. The City Council finds and determines that the foregoing recitals are true and correct.

Section 2. The maximum amount of the proposed bonded indebtedness of the City of Folsom Community Facilities District No. 23 (Folsom Ranch), Improvement Area No. 7 is \$14,250,000.

Section 3. The City Council hereby sets Tuesday, December 14, 2021, 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA, 95630, as the time and place for a hearing by the City Council on the proposed bond issue. At that time and place any persons interested, including any persons owning property in the proposed improvement area, will be heard.

Section 4. It is the intention of this City Council that any such bonds issued shall be made callable in accordance with the terms of the Mello-Roos Community Facilities Act of 1982.

Section 5. The City Clerk of the City of Folsom shall have a copy of the Notice of Public Hearing published pursuant to the Resolution Designating Improvement Area.

Section 6. This resolution shall take effect from and after its adoption.

**PASSED AND ADOPTED** this 9th day of November, 2021, by the following roll-call vote:

**AYES:** Councilmember(s):

**NOES:** Councilmember(s):

**ABSENT:** Councilmember(s):

**ABSTAIN:** Councilmember(s):

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Michael D. Kozlowski, MAYOR

ATTEST:

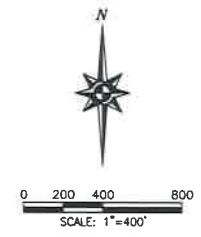
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Christa Freemantle, CITY CLERK

# ATTACHMENT 4

MAP OF AMENDED BOUNDARIES  
OF IMPROVEMENT AREA NO. 3  
OF CITY OF FOLSOM COMMUNITY FACILITIES  
DISTRICT NO. 23 (FOLSOM RANCH)  
CITY OF FOLSOM • COUNTY OF SACRAMENTO • STATE OF CALIFORNIA

SHEET 1 OF 1



FILED IN THE OFFICE OF THE CLERK OF THE CITY OF FOLSOM, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2021.

\_\_\_\_\_  
CITY CLERK  
CITY OF FOLSOM  
SACRAMENTO COUNTY, CALIFORNIA

I HEREBY STATE THAT THE WITHIN MAP SHOWING PROPOSED AMENDED BOUNDARIES OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH) IMPROVEMENT AREA NO. 3, CITY OF FOLSOM, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF FOLSOM AT A MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2021, BY ITS RESOLUTION NO. \_\_\_\_\_




REFERENCE IS HEREBY MADE TO THAT CERTAIN MAP ENTITLED "MAP OF PROPOSED BOUNDARIES CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH), CITY OF FOLSOM, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA," FILED THE 20TH DAY OF APRIL, 2020, IN BOOK 130 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 27 IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WHICH THIS MAP AFFECTS.

\_\_\_\_\_  
CITY CLERK  
CITY OF FOLSOM  
SACRAMENTO COUNTY, CALIFORNIA

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2021, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

\_\_\_\_\_  
COUNTY RECORDER  
COUNTY OF SACRAMENTO, CALIFORNIA

LEGEND

-  PROPOSED CFD BOUNDARY
-  LOT LINES
-  IMPROVEMENT AREA NO. 3



# ATTACHMENT 5

**AMENDED RATE AND METHOD OF APPORTIONMENT FOR  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 23  
(FOLSOM RANCH)  
Improvement Area No. 3**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 3 (CFD No. 23 IA3) and collected each Fiscal Year in an amount determined by the CFD No. 23 IA3 Administrator through the application of the Amended Rate and Method of Apportionment as described below. All of the real property within CFD No. 23 IA3, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**A. GENERAL DEFINITIONS**

The terms hereinafter set forth have the following meaning:

**"Acre or Acreage"** means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

~~**"Active-Adult Property"** means an Assessor's Parcel of Residential Property which has a restriction recorded against title of the Assessor's Parcel that limits occupancy of the Residential Unit on the Assessor's Parcel to residents above a certain age. The Maximum Services Special Tax Rate for Active-Adult Property shall be assigned in accordance with Attachment A of this Rate and Method of Apportionment. There are no Maximum Facilities Special Tax Rate or Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate adjustments for Assessor's Parcels classified as Active-Adult Property.~~

**"Assessor's Parcel" or "Parcel"** means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**"Assessor's Parcel Map"** means an official map of the County Assessor of the County designating lots or parcels by an Assessor's Parcel number.

**"Authorized Services"** means the landscape corridor, enhanced open space and street light maintenance, services, and expenses authorized to be financed by CFD No. 23 IA3.

**"Bond Year"** means a one year period beginning on September 2<sup>nd</sup> in each year and ending on September 1<sup>st</sup> in the following year, unless defined differently in the applicable Indenture.



**“Bonds”** means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 23 IA3 under the Act.

**“CFD No. 23 IA3”** means City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 3.

**“CFD No. 23 IA3 Administrator”** means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 23 IA3 Amended Boundaries”** means the amended boundaries for CFD No. 23 IA3 as set forth in Attachment E.

~~“CFD No. 23 IA3” means City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area 3.~~

**“City”** means the City of Folsom.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 23 IA3.

**“County”** means the County of Sacramento.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to June 30 of the previous Fiscal Year.

**“Effective Tax Rate Evaluation”** means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

**“Effective Tax Rate Evaluation Maximum Facilities Special Tax”** means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate”** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Effective Tax Rate Evaluation Minimum Facilities Revenue”** means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 23 IA3 Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Amended Rate and Method of Apportionment.

**“Exempt Property”** means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F. Assessor’s Parcels exempt from the Special Tax pursuant to Section 53340 of the Act shall also be designated as Exempt Property.

**“Facilities Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 23 IA3, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 23 IA3, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 23 IA3, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA3 for any other administrative purposes, including, but not limited to, attorney’s fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

**“Facilities Special Tax”** means the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

**“Facilities Special Tax Escalation Factor”** means two percent (2%) annually.

**“Facilities Special Tax Requirement”** means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 23 IA3 to: (i) Pay Facilities Administrative Expenses in an amount designated by the City; (ii) pay annual debt service on all Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 23 IA3 Administrator pursuant to the Indenture.

**“Facilities Special Tax Term”** means the earlier of Fiscal Year 2079-2080 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued or the first series of Bonds was issued within CFD No. 23 IA3.

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“Indenture”** means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**“Large Lot Property”** means, for each Fiscal Year, all Taxable Property for which a Large Lot Map was recorded prior to June 30 of the previous Fiscal Year, excluding any portion(s) thereof classified as Developed Property, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential Property. Large Lot Property also means, for each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property as of June 30 of the previous Fiscal Year.

**“Large Lot Map”** means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

**“Maximum Facilities Special Tax”** means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Facilities Special Tax Rate”** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax”** means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax Rate”** means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Special Tax”** means the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Total Effective Tax Rate”** means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

**“Minimum Facilities Revenue”** means the minimum amount of total CFD No. 23 IA3 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Amended Rate and Method of Apportionment.

**“MHD Multi-Family Attached Property”** means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

MHD Multi-Family Attached Property shall also include an Assessor's Parcel or that portion of an Assessor's Parcel designated as a Mixed Use Residential Parcel.

**"Mixed Use Residential Parcel"** means a mixed use Assessor's Parcel that is designated for residential land use. If the mixed use Assessor's Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor's Parcel designated for residential land use shall be classified as a Mixed Use Residential Parcel and the remaining non-residential land use of the Assessor's Parcel shall be classified as Non-Residential Property.

**"MMD Multi-Family Attached Property"** means all Assessor's Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor's Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**"Non-Residential Property"** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

**"Open Space Property"** means property within the ~~boundaries of~~ CFD No. 23 IA3 Amended Boundaries which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

**"Outstanding Bonds"** means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

**"Pay as You Go Costs"** means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 23 IA3.

**"Permit Ready Multi-Family/Non-Residential Property"** means an Assessor's Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor's Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor's Parcel as Permit Ready Multi-Family/Non-Residential Property.

**"Planned Development"** means the planned number of Residential Units, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 23 IA3, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Amended Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 23 IA3.



**“Price Point Study”** means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

**“Property Owner Association Property”** means any property within the ~~boundaries of~~ CFD No. 23 IA3 Amended Boundaries, which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

**“Proportionately”** means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 23 IA3.

**“Public Property”** means any property within the ~~boundaries of~~ CFD No. 23 IA3 Amended Boundaries, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

**“Residential Floor Area”** means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by the CFD No. 23 IA3 Administrator by reference to appropriate records kept by the City’s building department. Residential Floor Area for a residential structure will be based on the building permit(s) issued for such structure prior to it being classified as Developed Property, and shall not change as a result of additions or modifications made to such structure after such classification as Developed Property.

**“Residential Lot”** means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

**“Residential Property”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

**“Residential Unit”** means a residential dwelling unit, not including guest quarters or “granny flats” as allowed by the City zoning code.

**“Services Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the

costs of the City, CFD No. 23 IA3, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA3 for any other administrative purposes related to the Services Special Tax.

**“Services Special Tax”** means the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

**“Services Special Tax Escalation Factor”** means 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 four percent (4%). In the event that the percentage change is negative, the Services Special Tax Escalation Factor shall be equal to zero.

**“Services Special Tax Requirement”** means the amount of Services Special Tax revenue required in any Fiscal Year for CFD No. 23 IA3 to: (i) Pay Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor’s Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 23 IA3 Administrator.

**“Single-Family Detached Property – MLD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Single-Family Detached Property – SF/SFHD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Special Tax”** means the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

**“Small Lot Final Map Property”** means, for each Fiscal Year, all Taxable Property for which a Small Lot Final Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

**“Small Lot Final Map Remainder Property”** means an Assessor’s Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not



yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

**“Small Lot Final Subdivision Map”** means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the ~~boundaries of~~ CFD No. 23 IA3 Amended Boundaries that are not exempt from the CFD No. 23 IA3 Special Tax pursuant to law or Section F below.

**“Total Effective Tax Rate”** means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

**“Total Estimated Tax Burden”** means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

**“Trustee”** means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

## **B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor’s Parcels within the ~~boundaries of~~ CFD No. 23 IA3 Amended Boundaries shall be designated as either Taxable Property or Tax-Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

### C. FACILITIES SPECIAL TAX

A Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA3 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Amended Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year ~~2020-2021-2022~~ is set forth in Attachment B of this Amended Rate and Method of Apportionment.

On each July 1, commencing on July 1, ~~2021-2022~~, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

#### C.1. **Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation**

The Maximum Facilities Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Amended Rate and Method of Apportionment.

#### **Undeveloped Property Subdividing into Large Lot Property**

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The

Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

**Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

**C.2. Effective Tax Rate Evaluation**

Prior to the issuance of the first building permit or the first series of Bonds within CFD No. 23 IA3, whichever comes earlier, an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this Amended Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 23 IA3.

**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

#### **Effective Tax Rate Evaluation Minimum Facilities Revenue**

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

#### **C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation**

The Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum



Facilities Revenue set forth in Attachment D of this Amended Rate and Method of Apportionment.

**Undeveloped Property Subdividing into Large Lot Property**

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

**Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed

Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

#### **C.4. Method of Apportionment of Facilities Special Tax**

Using the definitions and procedures described herein, the CFD No. 23 IA3 Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year as follows:

##### **Prior to an Effective Tax Rate Evaluation**

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.



Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

#### **After an Effective Tax Rate Evaluation**

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum

Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

#### **D. SERVICES SPECIAL TAX**

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA3 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Amended Rate and Method of Apportionment.

##### **D.1. Increase in the Maximum Services Special Tax**

On each July 1, commencing on July 1, ~~2021~~2022, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

##### **D.2. Method of Apportionment of Services Special Tax**

If, in any Fiscal Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 23 IA3 and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 23 IA3.

Using the definitions and procedures described herein, the CFD No. 23 IA3 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

**E. DELINQUENCIES**

Notwithstanding the above, under no circumstances will the CFD No. 23 IA3 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 23 IA3 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

**F. EXEMPTIONS**

- F.1.** The CFD No. 23 IA3 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, Assessor's Parcels exempt from the Special Tax pursuant to Section 53340 of the Act, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.
- F.2.** The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property shall be prepaid in full by the seller, pursuant to Section K, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.
- F.3.** If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section F.1 above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

**G. TRANSFERS**

Prior to the issuance of the first series of Bonds within CFD No. 23 IA3, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned

Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Amended Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 23 IA3 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Amended Rate and Method of Apportionment.

#### H. INTERPRETATIONS

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Amended Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Amended Rate and Method of Apportionment of Special Tax.

#### I. REVIEW/APPEALS

The CFD No. 23 IA3 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 23 IA3 Administrator shall interpret this Amended Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 23 IA3 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 23 IA3 Administrator shall review the appeal, meet with the appellant if the CFD No. 23 IA3 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 23 IA3 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action ~~by~~ if any, by the City Manager ~~the~~, the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 23 IA3 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior

years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

#### J. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 23 IA3, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

#### K. PREPAYMENT OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid and permanently satisfied as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Facilities Special Tax obligation shall provide the CFD No. 23 IA3 Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD No. 23 IA3 Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA3 Administrator may charge a fee for providing this service.

##### K.1. Prepayment in Full

As of the proposed date of prepayment, the Prepayment Amount shall be calculated as follows:

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C ~~above~~. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C ~~above~~. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the Facilities Special Tax Term, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.



Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Prepayment Amount calculation, the Prepayment Amount shall be first allocated to the Redemption Amount. If the Prepayment Amount is insufficient to fund the Redemption Amount, then the Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section K.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 23 IA3, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the "Bond Redemption Amount").

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor's Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a



capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the "Redemption Amount").

If the Prepayment Amount exceeds the Redemption Amount, then any remaining Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

In addition, the City has the authority to adjust the Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no Facilities Special Tax prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

**K.2. Prepayment in Part**

The Facilities Special Tax obligation may be partially prepaid in any percentage of the full Prepayment Amount. The amount of the partial prepayment shall be calculated as in the above Section K.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = ((PE - A) \times F) + A$$

These terms have the following meaning:

**PP** = the Partial Prepayment Amount

**PE** = the Prepayment Amount calculated according to Section K.1 above

**A** = the Administrative Fees and Expenses calculated according to Section K.1 above

**F** = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Facilities Special Tax obligation.

The owner of an Assessor's Parcel who desires to partially prepay the Facilities Special Tax obligation shall notify the CFD No. 23 IA3 Administrator of (i) such owner's intent to partially prepay the Facilities Special Tax obligation, (ii) the amount of partial prepayment expressed in

increments equal to percentage of the full Prepayment Amount, and (iii) the company or agency that will be acting as the escrow agent, if applicable. Partial prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA3 Administrator may charge a fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the CFD No. 23 IA3 Administrator shall indicate in the records of CFD No. 23 IA3 that there has been a partial prepayment of the Facilities Special Tax obligation and that a portion of the Facilities Special Tax obligation equal to the outstanding percentage (1.00 – F) of the remaining Facilities Special Tax obligation shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section C.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

#### L. TERM OF SPECIAL TAX

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year ~~2020-2021-2022~~ to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year ~~2020-2021-2022~~ and shall be levied in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Services Special Tax Requirement.

**City of Folsom  
Community Facilities District No. 23 (Folsom Ranch)  
Improvement Area No. 3  
Maximum Special Tax Rates  
(Fiscal Year 2021-2022)**

Land Use Category	Residential Floor Area	<del>2020-2021-2022</del> Maximum Facilities Special Tax Rate <sup>(1)</sup>	<del>2020-2021-2022</del> Maximum Services Special Tax Rate <sup>(2)</sup>	Taxed Per	
<b>Developed Property:</b>					
<del>Single-Family Detached Property – SF/SFHD Zoning</del>	<del>≥ 3,600</del>	<del>\$3,886</del>	<del>\$175</del>	<del>\$100</del>	<del>Residential Unit</del>
<del>Single-Family Detached Property – SF/SFHD Zoning</del>	<del>3,200 – 3,599</del>	<del>3,571</del>	<del>175</del>	<del>100</del>	<del>Residential Unit</del>
<del>Single-Family Detached Property – SF/SFHD Zoning</del>	<del>2,800 – 3,199</del>	<del>3,559</del>	<del>175</del>	<del>100</del>	<del>Residential Unit</del>
Single-Family Detached Property – SF/SFHD Zoning	<del>≥ 2,400 – 2,799</del> 200	<del>3,293</del> \$890	<del>\$100</del>	Residential Unit	
Single-Family Detached Property – SF/SFHD Zoning	2,000 – <del>2,399</del> 199		<del>3,000</del> 790	100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	<del>&lt; 2,000</del> 1,800 – 1,999		<del>2,900</del> 690	100	Residential Unit
<del>Single-Family Detached Property – MLD Zoning</del>	<del>≥ 3,600</del>	<del>3,886</del>	<del>125</del>	<del>40</del>	<del>Residential Unit</del>
<del>Single-Family Detached Property – MLD Zoning</del>	<del>3,200 – 3,599</del>	<del>3,571</del>	<del>125</del>	<del>40</del>	<del>Residential Unit</del>
<del>Single-Family Detached Property – MLD Zoning</del>	<del>2,800 – 3,199</del>	<del>3,559</del>	<del>125</del>	<del>40</del>	<del>Residential Unit</del>
Single-Family Detached Property – <del>MLD</del> SF/SFHD Zoning	<del>2,400 – 2</del> ≤ 1,799	<del>3,293</del> 590	<del>125</del> 100	Residential Unit	

**City of Folsom  
Community Facilities District No. 23 (Folsom Ranch)  
Improvement Area No. 3  
Maximum Special Tax Rates  
(Fiscal Year 2021-2022)**

Land Use Category	Residential Floor Area	<del>2020-2021-2022</del> Maximum Facilities Special Tax Rate <sup>(1)</sup>	<del>2020-2021-2022</del> Maximum Services Special Tax Rate <sup>(2)</sup>	Taxed Per	
Single-Family Detached Property – MLD Zoning	<del>2,000–2,399</del> Not Applicable	<del>3,000</del> 490		<del>125</del> 100	Residential Unit
<del>Single-Family Detached Property – MLD Zoning</del>	<2,000	2,900	125	40	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,000	500	Acre	
MHD Multi-Family Attached Property	Not Applicable	11,700		1,000	Acre
Non-Residential Property	Not Applicable	11,700		1,000	Acre
<b>Small Lot Final Map Property:</b>					
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	<del>\$2,900</del> 590	\$100	Residential Lot	
Single-Family Detached Property – MLD Zoning	Not Applicable	<del>2,900</del> 490	<del>125</del> 100	Residential Lot	

**City of Folsom  
 Community Facilities District No. 23 (Folsom Ranch)  
 Improvement Area No. 3  
 Maximum Special Tax Rates  
 (Fiscal Year 2021-2022)**

<b>Land Use Category</b>	<b>Residential Floor Area</b>	<del>2020-2021-</del> <b>2022 Maximum Facilities Special Tax Rate<sup>(1)</sup></b>	<del>2020-2021-</del> <b>2022 Maximum Services Special Tax Rate<sup>(2)</sup></b>	<b>Taxed Per</b>
<b>Permit Ready Multi-Family/Non-Residential Property</b>	Not Applicable	\$11,700	\$1,000	Acre
<b>Large Lot Property</b>	Not Applicable	\$18,000	\$1,000	Acre
<b>Undeveloped Property</b>	Not Applicable	\$18,000	\$1,000	Acre

- (1) On each July 1, commencing on July 1, ~~2021~~2022, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.
- (2) On each July 1, commencing on July 1, ~~2021~~2022, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

~~(3) Taxable Property designated as Active Adult Property shall be assigned a separate Maximum Services Special Tax Rate.~~

**ATTACHMENT B**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 3**  
**Minimum Facilities Revenue**  
**(Fiscal Year ~~2020-2021~~-2022)**

<b>Land Use Category</b>	<b>Planned Number of Residential Units / Acres</b>	<b><del>2020-2021</del>-<u>2022</u> Developed Property Maximum Facilities Special Tax Rate<sup>(1)(2)</sup></b>	<b><del>2020-2021</del>-<u>2022</u> Minimum Facilities Revenue <sup>(1)(3)</sup></b>
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning <sup>(4)</sup>	<u>1,068,751</u>	<del>\$2,900,590</del>	<u>\$3,097,200,443,090</u>
Single-Family Detached Property – MLD Zoning <sup>(4)</sup>	<u>157,168</u>	<u>2,900,490</u>	<u>455,300,82,320</u>
MMD Multi-Family Attached Property	0.0	30,000	0
MHD Multi-Family Attached Property	0.0	11,700	0
Non-Residential Property	0.0	11,700	0
<b>Total Minimum Facilities Revenue</b>			<b><u>\$3,552,500,525,410</u></b>

- (1) On each July 1, commencing on July 1, ~~2021~~2022, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor’s Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of all or a portion of Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning ~~and Single-Family Detached Property – MLD Zoning~~ with Residential Floor Area of less than 2,000,1,799 square feet.



**ATTACHMENT C**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 3**  
**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**  
**(Fiscal Year ~~2020-2021-2022~~)**

Land Use Category	Residential Floor Area	<del>2020-2021-2022</del> Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate <sup>(1)(2)</sup>	Taxed Per
<b>Developed Property:</b>			
<del>Single-Family Detached Property – SF/SFHD Zoning</del>	<del>≥ 3,600</del>	<del>\$ _____</del>	<del>Residential Unit</del>
<del>Single-Family Detached Property – SF/SFHD Zoning</del>	<del>3,200 – 3,599</del>	<del>_____</del>	<del>Residential Unit</del>
<del>Single-Family Detached Property – SF/SFHD Zoning</del>	<del>2,800 – 3,199</del>	<del>_____</del>	<del>Residential Unit</del>
Single-Family Detached Property – SF/SFHD Zoning	<del>≥ 2,400 –</del> <del>2,799</del> <u>200</u>	<del>_____</del> <u>\$890</u>	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – <del>2,399</del> <u>199</u>	<del>_____</del> <u>790</u>	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	<del>&lt; 2,000</del> <u>1,800 –</u> <u>1,999</u>	<del>_____</del> <u>690</u>	Residential Unit
<del>Single-Family Detached Property – MLD Zoning</del>	<del>≥ 3,600</del>	<del>_____</del>	<del>Residential Unit</del>
<del>Single-Family Detached Property – MLD Zoning</del>	<del>3,200 – 3,599</del>	<del>_____</del>	<del>Residential Unit</del>
<del>Single-Family Detached Property – MLD Zoning</del>	<del>2,800 – 3,199</del>	<del>_____</del>	<del>Residential Unit</del>
Single-Family Detached Property – <del>MLD</del> <u>SF/SFHD</u> Zoning	<del>2,400 – 2 ≤</del> <u>1,799</u>	<del>_____</del> <u>590</u>	Residential Unit
Single-Family Detached Property – MLD Zoning	<del>2,000 – 2,399</del> <u>Not</u> <u>Applicable</u>	<del>_____</del> <u>490</u>	Residential Unit
<del>Single-Family Detached Property – MLD Zoning</del>	<del>&lt; 2,000</del>	<del>_____</del>	<del>Residential Unit</del>
MMD Multi-Family Attached Property	Not Applicable	<del>_____</del> <u>30,000</u>	Acre
MHD Multi-Family Attached Property	Not Applicable	<del>_____</del> <u>11,700</u>	Acre

**ATTACHMENT C**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 3**  
**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**  
**(Fiscal Year ~~2020-2021-2022~~)**

Land Use Category	Residential Floor Area	<del>2020-2021-2022</del> Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate <sup>(1)(2)</sup>	Taxed Per
Non-Residential Property	Not Applicable	<del>_____11,700</del>	Acre
<b>Small Lot Final Map Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	<del>\$_____590</del>	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	<del>_____490</del>	Residential Lot

**ATTACHMENT C**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 3**  
**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**  
**(Fiscal Year ~~2020-2021~~-2022)**

Land Use Category	Residential Floor Area	<del>2020-2021</del> - <u>2022</u> Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate <sup>(1)(2)</sup>	Taxed Per
<b>Permit Ready Multi-Family/Non-Residential Property</b>	Not Applicable	<del>_____</del> -\$ <u>11,700</u>	Acre
<b>Large Lot Property</b>	Not Applicable	<del>_____</del> -\$ <u>18,000</u>	Acre
<b>Undeveloped Property</b>	Not Applicable	<del>_____</del> -\$ <u>18,000</u>	Acre

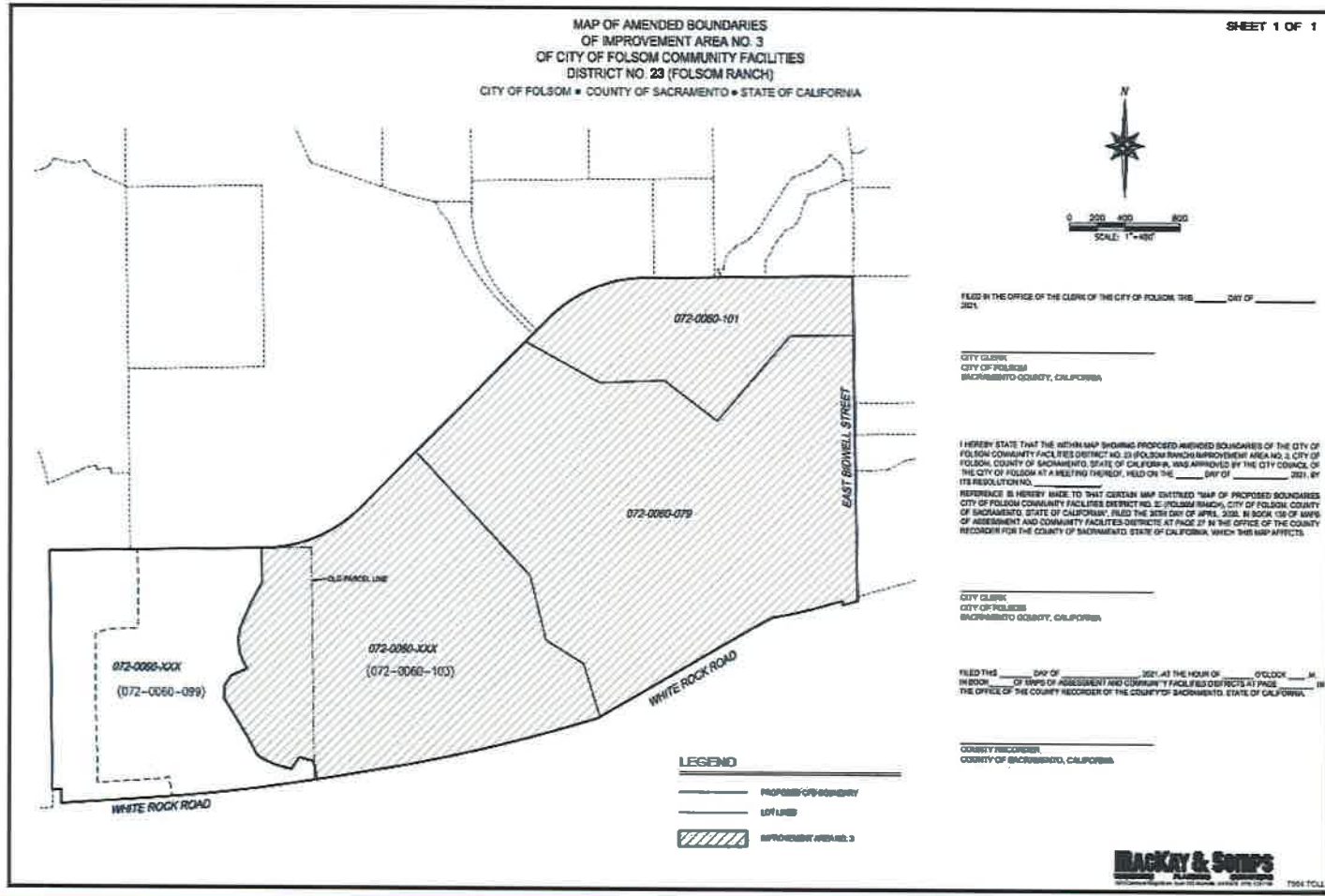
- (1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT D**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 3**  
**Effective Tax Rate Evaluation Minimum Facilities Revenue**  
**(Fiscal Year ~~2020-2021-2022~~)**

<b>Land Use Category</b>	<b>Planned Number of Residential Units / Acres<sup>(1)</sup></b>	<b><del>2020-2021-2022</del> Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate<sup>(1)(2)(3)</sup></b>	<b><del>2020-2021-2022</del> Effective Tax Rate Evaluation Minimum Facilities Revenue <sup>(1)(2)(4)</sup></b>
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning <sup>(5)</sup>	<del>751</del>	<del>\$ 590</del>	<del>\$ 443,090</del>
Single-Family Detached Property – MLD Zoning <sup>(5)</sup>	<del>168</del>	<del>490</del>	<del>82,320</del>
MMD Multi-Family Attached Property	<del>0.0</del>	<del>30,000</del>	<del>0</del>
MHD Multi-Family Attached Property	<del>0.0</del>	<del>11,700</del>	<del>0</del>
Non-Residential Property	<del>0.0</del>	<del>11,700</del>	<del>0</del>
<b>Total Effective Tax Rate Evaluation Minimum Facilities Revenue</b>			<b><del>\$ 525,410</del></b>

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor's Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of all or a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (5) Based upon the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning ~~and Single-Family Detached Property – MLD Zoning~~ with Residential Floor Area of less than ~~2,000~~1,799 square feet.

**ATTACHMENT E**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area No. 3**  
**Amended Boundaries**



# ATTACHMENT 6



MAP OF BOUNDARIES OF CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 23  
(FOLSOM RANCH)  
IMPROVEMENT AREA NO. 7  
CITY OF FOLSOM • COUNTY OF SACRAMENTO • STATE OF CALIFORNIA

SHEET 1 OF 1



FILED IN THE OFFICE OF THE CLERK OF THE CITY OF FOLSOM, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2021.

\_\_\_\_\_  
CITY CLERK  
CITY OF FOLSOM  
SACRAMENTO COUNTY, CALIFORNIA

I HEREBY STATE THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH) IMPROVEMENT AREA NO. 7, CITY OF FOLSOM, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF FOLSOM AT A MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2021, BY ITS RESOLUTION NO. \_\_\_\_\_

REFERENCE IS HEREBY MADE TO THAT CERTAIN MAP ENTITLED "MAP OF PROPOSED BOUNDARIES CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH), CITY OF FOLSOM, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA", FILED THE 20TH DAY OF APRIL, 2020, IN BOOK 130 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 27 IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WHICH THIS MAP AFFECTS




\_\_\_\_\_  
CITY CLERK  
CITY OF FOLSOM  
SACRAMENTO COUNTY, CALIFORNIA

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2021, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

\_\_\_\_\_  
COUNTY RECORDER  
COUNTY OF SACRAMENTO, CALIFORNIA



LEGEND

-  PROPOSED CFD BOUNDARY
-  LOT LINES
-  IMPROVEMENT AREA NO. 7



CITY OF  
**FOLSOM**  
INCORPORATED BY CHARTER

## Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	New Business
<b>SUBJECT:</b>	Resolution No. 10744 - A Resolution Authorizing the City Manager to Execute a Fiber Network Installation Agreement with SiFi Networks Folsom LLC for the Installation of a Fiber Optic Network in the City of Folsom
<b>FROM:</b>	Public Works Department

### RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 10744 - A Resolution Authorizing the City Manager to Execute a Fiber Network Installation Agreement with SiFi Networks Folsom LLC for the Installation of a Fiber Optic Network in the City of Folsom.

### BACKGROUND / ISSUE

SiFi Networks Folsom LLC (SiFi) is a private developer who specializes in Open Access fiber optic networks. SiFi approached City staff earlier this year to propose the installation of a citywide Open Access fiber optic network that they will privately finance and construct. SiFi will wholesale network access to Internet Service Providers (ISPs) who will compete to provide gigabit speed internet services to residents, businesses, institutions and municipal facilities. The Open Access network is intended to encourage market competition, enable Smart City technological advancements, support healthcare, education, transportation agencies, government organizations, local businesses and residential neighborhoods, including disadvantaged communities. This will enhance Folsom's competitive advantage when trying to retain or attract new businesses.

The SiFi network will not replace existing ISPs that currently provide service in Folsom (most notably Xfinity and AT&T); however, those existing ISPs may not currently provide all homes and businesses with access to a fiber optic network that allows for symmetrical high-speed

internet access. Upon the Fiber Network Installation Agreement being approved by Council, SiFi will be allowed access to the public right-of-way for the purpose of installing a fiber optic network past every premise in the City. The fiber optic network would be constructed using micro-trenching construction and blown micro-duct techniques and would include 35 above-ground cabinets which would be sited in such a way as to minimize the visual impacts to the community.

Scott Bradshaw, President of SiFi , will make a presentation to familiarize City Council with their network offering, which includes their construction methods, and potential benefits to the City of Folsom.

If approved, SiFi and the City will enter into a Fiber Networks Installation Agreement, in a form acceptable to the City Attorney. Per the terms of the agreement, SiFi is expected to initiate fiber network installation with the next 24 months and complete the project within 48 months.

### **POLICY / RULE**

The City Council is the sole authority for entering into agreements between the City and any other party.

### **FINANCIAL IMPACT**

Per the agreement, SiFi will install the fiber optic network at no cost to the City. SiFi also agrees to pay all City plan check fees, permit fees, inspection fees and any other applicable fees.

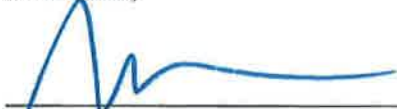
### **ENVIRONMENTAL REVIEW**

This program is exempt from the requirements of the California Environmental Quality Act.

### **ATTACHMENTS**

1. Resolution No. 10744 - A Resolution Authorizing the City Manager to Execute a Fiber Network Installation Agreement with SiFi Networks Folsom LLC for the Installation of a Fiber Optic Network in the City of Folsom
2. Fiber Networks Installation Agreement between SiFi Networks Folsom LLC and City of Folsom

Submitted,



Mark Rackovan, PUBLIC WORKS DIRECTOR

# Attachment 1

**RESOLUTION NO. 10744**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A FIBER NETWORK INSTALLATION AGREEMENT WITH SIFI NETWORKS FOLSOM LLC FOR THE INSTALLATION OF A FIBER OPTIC NETWORK IN THE CITY OF FOLSOM**

**WHEREAS**, SiFi Networks Folsom LLC desires to install a fully privately funded fiber optic network in the City of Folsom; and

**WHEREAS**, the City of Folsom seeks, without City or public funds, to enable the deployment of fiber optic infrastructure for broadband for the City’s residents and businesses; and

**WHEREAS**, the provision of broadband to the City’s residents and businesses will stimulate economic development, encourage market competition, enable Smart City technological advancements, and support healthcare, education, transportation, and government; and

**WHEREAS**, the fiber optic network will also provide opportunities for additional Smart City services, including connected buildings, traffic signals and other City facilities; and

**WHEREAS**, if approved, the City would grant SiFi Networks Folsom LLC a license and encroachment permit to access the public right-of-way for the purpose of installing the fiber optic network; and

**WHEREAS**, the fiber network installation 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 hereby authorizes the City Manager to execute a Fiber Network Installation Agreement with SiFi Networks Folsom LLC for the installation of a fiber optic network in the City of Folsom.

**PASSED AND ADOPTED** this 9<sup>th</sup> day of November, 2021, by the following roll-call vote:

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

\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

## Attachment 2



## FIBER NETWORKS INSTALLATION AGREEMENT

This Fiber Networks Installation Agreement is made this \_\_ day of November, 2021 (“**Effective Date**”) as it may be extended or amended, the “**Agreement**”), between the City of Folsom, California, a municipal corporation (the “**City**”) and SiFi Networks Folsom LLC, a Delaware limited liability company (“**SiFi Networks**” or “**SiFi**”) (each sometimes referred to as a “**Party**” and collectively referred to as the “**Parties**”).

### RECITALS

**WHEREAS**, SiFi Networks owns the rights to the FOCUS (as defined below) proprietary fiber optic cable system technology; and

**WHEREAS**, SiFi Networks desires to install a fully privately funded fiber optic network utilizing FOCUS in the City; and

**WHEREAS**, SiFi Networks has requested that the City grant a license and an encroachment permit to access and use the City’s Public Right-of-Way (“**Public Way**”, as defined below) for purposes of installing the FON (as defined below) in the City; and

**WHEREAS**, City seeks, without City or public funds, to enable the deployment of fiber optic infrastructure for broadband for the City’s residents and businesses, in order to stimulate economic development, to encourage market competition, to enable Smart City technological advancements, and to support healthcare, education, transportation agencies, government organizations, local business, and residential neighborhoods;

**WHEREAS**, the City is agreeable, without City or public funding, to grant to SiFi Networks a license and an encroachment permit to access and use the Public Way for SiFi Networks in order to install and operate the FON including a point of presence and/or a series of distributive cabinets and other equipment and materials in connection with the installation of the FON, pursuant to the terms and conditions set forth herein;

**WHEREAS**, the FON will provide opportunities for Smart City additional services, including but not limited to connecting buildings, traffic lights, and other City owned locations, to the City subject to a separate written mutual agreement between the Parties; and

**NOW, THEREFORE**, in consideration of the mutual obligations of the Parties, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties covenant and agree as follows:

### SECTION 1

#### 1. Definition of Terms.

1.1 **Terms.** For the purpose of this Agreement, the following terms, phrases, words, and abbreviations shall have the meanings ascribed to them below.

“**Access**” means facilitation of City permitted encroachments for specified areas within the Public Way.

“**Boundary**” means the legal boundaries of the City as of the Effective Date, and any additions or subtractions to the City legal boundaries, by annexation or other legal means.

“**Cabinets**” means above ground enclosures placed within the Public Way for the protection of active and passive equipment for the provision of Service throughout the System and as further described in Exhibit A.

“**Chambers**” means underground enclosures placed within the Public Way facilitating access to the active and passive equipment for the provision of Service throughout the System.

“**Commencement Date**” means the date that Substantial Completion, as that term is defined herein, of the System has been achieved.

“**Construction**” means breaking ground for the installation of the System.

“**Construction Contractor**” or “**Contractor**” means the construction company(ies) performing the physical work for or on behalf of SiFi Networks.

“**Drop**” means the fiber optic cable run from the edge of the Public Way to the Premises Wall.

“**Facility**” means the secure space/s that the City agrees to make available to SiFi Networks during the Term for the installation of Shelters and Cabinets.

“**FOCUS**” means SiFi Networks’ trademarked FOCUS™ system including the patented Wastewater Fiber Technology, know-how and other proprietary rights, comprising, among other things a combination of blown fiber, aerial, wastewater and other conventional techniques to enable multi gigabit technologies.

“**FON**” means SiFi Networks’ fiber optic network built by utilizing a combination of blown fiber, aerial, wastewater and/or other conventional techniques and may also include using the FOCUS™ design, as well as electronics to enable multi gigabit technologies.

“**Hazardous Materials**” means (i) any hazardous or toxic wastes, substances, or materials, and any other pollutants or contaminants, which are regulated by any applicable local, state or federal laws, including, but not limited to 33 U.S.C. Section 1251 et seq., 42 U.S.C. Section 6901 et seq., 42 U.S.C. Section 9601 et seq., 42 U.S.C. Section 7401 et seq., 42 U.S.C. 960 et seq., and the California Health and Safety Code Section 25100 et seq., and 25300 et seq., the California Water Code, Section 13020 et seq., or any successor(s) thereto: (ii)

petroleum; (iii) asbestos; (iv) flammable explosives; (v) polychlorinated biphenyls; and (radioactive materials).

**“Home”** means a residential single-family dwelling, or a residential single dwelling unit located within a Multiple Dwelling Unit, located within the Boundary.

**“Multiple Dwelling Unit”** means an apartment building or other building containing more than one dwelling unit located within the Boundary.

**“Microtrenching”** means the process of cutting a trench with a dry cut machine and reinstated with cementitious slurry fill as specified in Exhibit A.

**“Pass”** or **“Passes”** means the duct or Chamber as parts of the System has reached to the curbside of a residential Premises, or the engineered point at or near a commercial Premises from which a Drop can be connected.

**“Person”** means any natural person or any association, firm, partnership, joint venture, corporation, limited liability company, or other legally recognized entity, whether for profit or not for profit, but shall not mean the City or SiFi Networks.

**“Premises”** means a Home, Multiple Dwelling Unit, office or other building located within the Boundary.

**“Premises Wall”** means the exterior of an outside wall of a Premises to which the fiber optic cable can be terminated.

**“Primary Premises”** means the Premises within the Boundary as of the Effective Date but excluding any Premises which SiFi cannot connect (i) because of a lack of a right to access and use the Public Way due to the City not possessing the right, title, interest or authority to permit SiFi to use and occupy the Public Way in order for SiFi to access such Premises, or (ii) because SiFi lack of a right to access any non-City owned property within the Boundary in order to access such Premises, or (iii) if there would be an incremental material cost to connect such Premises would be at least ten percent (10%) higher than the average cost to connect accessible by SiFi Primary Premises within the Boundary; provided that, (1) at least ninety-five percent (95%) of Premises within the Boundary are Passed, and (2) no Premises are excluded for any other reasons other than technical or cost reasons as described herein, or (iv) where such Premises already have a pre-existing fiber service available to them and do not desire SiFi to connect such Premises. SiFi shall not be required or obligated to make the System available to such Primary Premises described in (i) through (iv) in this definition and Substantial Completion determination shall not be impacted as a result. If any Premises are excluded under subsection (iii) above, City will have the option to request SiFi meet and confer regarding potential solutions, including the use of any City owned or controlled conduit, duct or other similar

facility, to Pass such Premises, which solutions would have to be mutually agreed in good faith and in writing between the Parties. **“Public Way”** shall mean City-owned public right-of-way, including the surface of, and the space above and below, existing now or in the future City owned land. Public Way includes City-owned public street, road, highway, parkway, driveway, freeway, lane, path, court, sidewalk, bridge, alley, boulevard, traffic signals, lamp post, public way, or other public right of way or easement including public utility easements dedicated utility strips, located thereon now or hereafter held by, granted or dedicated to or under the jurisdiction of the City within the Boundary. For the avoidance of doubt, the term **“Public Way”** shall also mean any easement now or hereafter held by the City within the Boundary for the purpose of public travel, or for utility service use.

**“Release”** when used with respect to Hazardous Material means any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any existing improvements or any improvements constructed hereunder, including the System.

**“Service”** means internet, voice, data, and video service or any combination thereof, provided by the City or another Service Provider over the System.

**“Service Providers”** means any entity, which enters into a contract with SiFi Networks to provide Services over the System.

**“Shelter”** means the above ground facility housing System equipment as further described in Section 4.2 and in Exhibit A hereto.

**“Subscribe”** means an agreement to receive from a Service Provider.

**“Subscriber”** means any Person (which for purposes of this definition shall include the City) that has entered into an agreement to receive or otherwise lawfully receives Service.

**“Substantial Completion”** means the date on which, the System has been installed such that it Passes the addresses of each of the Primary Premises and the System is capable of providing Service to each such Primary Premises (but for the lack of a Drop) or four (4) years post Construction being commenced, whichever event occurs first; provided, however, in the event that Substantial Completion is deemed to have occurred due to the expiration of four (4) years post Construction being commenced, SiFi shall use commercially reasonable efforts to complete, subject to the conditions in the proviso above, such construction as is necessary to provide service to all Primary Premises within a commercially reasonable time.

**“System”** means all parts of the FON system under and above ground in the City that is designed to support the delivery of Service to Subscribers,

including the fiber optic cable and its component parts and appurtenances, and the other cables, wires, components, facilities, cabinets, ducts, conduits, connectors, vaults, Chambers, telecom manholes, telecom manhole covers, pedestals, appliances, splitters, attachments, and other property, equipment, components, materials, apparatus and appurtenances to the FON system.

## SECTION 2

### 2. Grant of License.

#### 2.1 Grant of Temporary and Non-Exclusive License.

2.1.1 License to Use City Public Way. This Agreement sets forth the basic terms and conditions upon which SiFi is hereby granted a non-exclusive no cost, except for payment of applicable City fees, license, during the Term, to install, operate and maintain the System in the Public Way. The particular terms and location of each portion of the System shall be specified in the applicable permit approved by the City as described in Section 3.2 Permits and General Obligations. Provided SiFi Networks' is not in breach of this Agreement and the applicable permits, City grants to SiFi Networks a non-exclusive no cost license, during the Term, to erect, install, construct, repair, replace, reconstruct, maintain, operate or retain in, on, over, under, upon, across, or along any Public Way, the System, within the Boundary, and all extensions and additions thereto. SiFi Networks shall have the right to determine the final engineering design and location of all equipment and other parts of the System, subject to the City's prior written approval for their placement. Both Parties agree to cooperate during the design and permitting process and SiFi Networks must first disclose all engineering designs to the City for permit approval. Notwithstanding the foregoing, installation of the System and access to and use of the Public Way is subject to the applicable permit for a specific location. It is understood that SiFi's license to place the System is non-exclusive, except for the Facilities, but that upon issuance of the applicable permit, SiFi's use of the area specified therein shall not be unreasonably interfered by the City or its contractors. Further, in the event of a material breach of this Agreement by SiFi, SiFi's license granted under this Agreement and the particular permit are revocable only if SiFi Networks fails to cure any alleged breach as described in Section 8.1, prior to the expiration or earlier termination of this Agreement.

2.1.2 Abandonment of the System upon Termination of Agreement. Upon the expiration or termination of this Agreement, SiFi Networks shall have the right, but not the obligation, to remove from or abandon in place all or any part of the System in the Public Way. Any part of the System abandoned by SiFi Networks as described in this Agreement shall become the property of the City. Within ninety (90) days prior to the expiration or termination of this Agreement, SiFi must notify the City in writing of its intent not to abandon the System. Failure to provide such written notice within the time specified shall be deemed abandonment upon the expiration or termination of the Agreement.



2.2 **Term of Agreement.** This Agreement shall become effective upon the execution and delivery of this Agreement by the Parties (the “**Effective Date**”). The term of this Agreement shall commence on the Effective Date and run until midnight on the date that is thirty (30) years after the Commencement Date (the “**Initial Term**”). No later than one year prior to the expiration of the Term, SiFi may submit a request in writing that the City approve renewing this Agreement for an additional term of fifteen (15) years, commencing on the thirtieth (30th) anniversary of the Commencement Date (“**Renewal Terms**,” and, collectively with the Initial Term, the “**Term**”), which approval shall not be unreasonably withheld. If SiFi Networks elects to not renew this Agreement the System will be deemed abandoned and shall become the property of the City.

2.3 **License to City-owned property.**

(i) City hereby grants, at no additional charge, to SiFi, and its licensees, successors, lessees, transferees, and assigns, a revocable non-exclusive license during the Term of the Agreement (“License”) to enter and occupy portions of the City-owned property in or outside of the Public Way for up to two (2) specific locations as further described in Section 4.2 and from the System in the Public Way to each of the Facilities, which locations will be mutually agreed upon in writing and in good faith between the City and Licensee (the “License Area”), for the purposes of erecting, installing, constructing, operating, repairing, replacing, reconstructing, removing, maintaining, using and retaining said System, including, without limitation, wires, cables, ducts, conduits, connectors, vaults, manholes, manhole covers, fencing, pedestals, appliances, splitters, attachments, and other property, equipment, components, materials, apparatus and appurtenances to the System and the Facilities (the “Improvements”). This License is subject to easements, covenants, conditions, and regulations in existence as of the date hereof.

(ii) Subject to easements, covenants, conditions, and regulations in existence as of the date hereof, SiFi shall be permitted to use microtrenching for fiber optic cables and make such alterations to the License Area as approved, which approval shall not be unreasonably withheld, delayed, or conditioned, by the City to erect, install, construct, repair, replace, reconstruct, remove, maintain, operate, and use, the System including, without limitation, the Improvements, and adding and moving electrical lines and other utilities and apparatus. SiFi shall be responsible for all costs incurred in the alterations. All construction, installation, maintenance and repair of the License Area shall be conducted so as to interfere as little as practicable with City’s use and operation of the Public Way. The installation of the System and alterations by SiFi in the License Area shall be done in a good and workmanlike manner by competent personnel or contractors, and except for the specifications and construction techniques approved in this Agreement, in conformity with all applicable permits, licenses, ordinances, laws and regulations, free from any liens for labor or materials, and subject to final inspection and approval by the City. Any damage to the License Area caused by reason of the



exercise of SiFi's rights hereunder shall be corrected within a reasonable time by SiFi at its sole cost and expense.

(iii) SiFi will maintain the Improvements in accordance with this Agreement.

(iv) SiFi shall not install or construct any other structures or improvements other than the Improvements and associated appurtenances described herein.

(v) The Improvements installed within the License Area by SiFi shall be made at no expense to City. SiFi shall be responsible, and assume all costs, for any relocation or protection of any part of the System in the event the relocation or protection of the System is necessary due to changes in any Public Way at any time during the term of this Agreement.

(vi) Other than SiFi's obligation to repair any damage SiFi or SiFi's contractors cause to the City's Public Way at its sole cost and expense, City, at its sole cost, shall operate, maintain and repair the Public Way so as to avoid damage or minimize adversely affecting the System and the License Area. City shall not make any modifications to, or alter, the License Area without prior written notice to SiFi.

(vii) City, its agents, or assigns, or any utility company or City franchisee may at any time, enter upon the areas covered by this Agreement for the purpose of installing, maintaining, relocating, altering, enlarging, repairing, or inspecting any utility, facility, or public work thereon. City will not be liable to SiFi for any damages to the System, Improvements and Facilities.

(viii) SiFi shall restore damaged or disturbed surfaces or underground utilities at or adjacent to the License Area to substantially the same as the original condition. Restoration shall be carried out immediately after construction. Any damage not repaired to the satisfaction of the City shall be a cause to suspend any operations within the City's limits by the party causing the damage until the repairs are satisfactory to the City.

(ix) The System and all of its parts and components which are installed and constructed by SiFi in the License Area shall at all times be and remain the property of SiFi.

(x) Except for the Facilities, City shall not unreasonably impede, disturb, interfere with, or restrict, SiFi's access to, use and possession of, the License Area.

(xi) Notwithstanding any provision to the contrary, whenever possible SiFi shall not install any Improvement, when running parallel, within 3 feet from existing underground utilities, and further shall not install any Improvement above or on top of water of sewer pipelines except with express written authorization by the Environmental and Water Resources Department of the City.

(xii) Notwithstanding any provision to the contrary, in the event SiFi or its contractor damages water or sewer infrastructure, SiFi shall immediately notify the City and shall further make the repair, or cause to be repaired, the damaged infrastructure within 4 hours. At the City's sole and completion discretion, City may permit SiFi to pay City to make the necessary repairs at SiFi's sole cost and expense.

2.4 (xi) The terms, conditions and rights contained herein shall be covenants running with the land and shall remain in effect for as long as the Agreement remains in effect. Within thirty days after termination of this Agreement, SiFi shall remove any abandoned or unused Improvements from the Public Way. The terms and conditions contained herein shall bind, inure to the benefit of, and be enforceable by, City and SiFi, and their respective successors and assigns (including, without limitation, any and all successors to City in title to all or any portion of the Public Way).

**2.4 City Accommodation.** SiFi Networks acknowledges that this Agreement is entered into by the City to accommodate SiFi Network's request, that the City would not have entered into this Agreement had it been exposed to liability for damages from SiFi Networks, and that therefore and notwithstanding any provision to the contrary, SiFi Networks hereby waives any and all claims for damages against the City and its officers, agents and employees for breach of this Agreement. SiFi Networks further acknowledges that damages are not a remedy under this Agreement, and therefore and notwithstanding any provision to the contrary, SiFi Networks waives all claims for damages against the City and its officers, agents and employees in the event that this Agreement or any other permit or land use entitlement is: (1) not approved by the City or (2) is approved by the City but with new changes, amendments, conditions or deletions to which SiFi Networks is opposed.

2.5 **Exclusivity.** Until after the first anniversary of the Effective Date, the City shall not solicit any third party regarding any competing fiber optic cable system within the City's Boundary, subject to any obligation or requirements imposed upon the City in its capacity as a land use authority under federal or state law or regulation.

## 2.6 **Efficient Permitting Process.**

2.6.1 During the Term, the City shall endeavor to provide expedited, diligent review of all applications for permits by SiFi and/or its contractors, to the extent reasonably possible and to the extent permits are necessary, including permits or other necessary items for construction work on the System within the Public Way. The City acknowledges and agrees that expeditiousness in connection with permitting, licensing, and approval of the System is important to SiFi Networks' performance under this Agreement. Accordingly, the City agrees to endeavor to the process and

timeframes below in connection with all applications for permits by SiFi Networks and/or its contractors in connection with this Agreement:

(i) If possible, the City shall within two (2) business days of submittal by SiFi Networks and/or its contractors of an application or other request for a permit in connection with this Agreement provide written acknowledgment to SiFi Networks and/or its contractor confirming receipt of such submittal; and

(ii) If possible, the City shall within seven (7) business days of submittal by SiFi Networks and/or its contractors of an application or other request for a permit in connection with this Agreement acknowledge in writing that such application is properly submitted and complete, or in the event such application is not properly submitted and complete, provide SiFi Networks and/or its contractors with a detailed written explanation of any deficiencies. Upon curing any such deficiencies, the City shall undertake an expedited review of the application or other request for permit by SiFi Networks and/or its contractors in order to comply with this Section.

(iii) If possible, the City shall within fifteen (15) calendar days of submittal by SiFi Networks and/or its contractors of an application or other request for a permit in connection with this Agreement provide written notification of initial review and provide in writing to SiFi Networks and/or its contractors a detailed explanation of any additional information needed for the City to complete its review process. In the event no additional information is needed, the City shall so notify SiFi Networks and/or its contractors in writing.

(iv) If possible, the City shall within twenty-one (21) calendar days of submittal by SiFi Networks and/or its contractors of an application or other request for a permit in connection with this Agreement provide final approval and issue any necessary approval or permits to SiFi Networks and/or its contractors.

(v) The aforementioned timelines are subject to extension by City in the event information or document reasonably necessary or required to process the requested permit is not submitted by SiFi Networks or its contractors in a timely manner.

2.6.2 **Invoices and Payments**. SiFi agrees to pay all City permit review and processing fees (as set and adjusted by the City from time to time) associated with SiFi's work under and subject to this Agreement, including but are not limited to plan check fees, encroachment permit fees, inspection fees, and any other applicable fees for SiFi's work.

2.6.3 Permit applications shall be submitted by SiFi Networks in substantially the form required by the City. The engineering details provided in Exhibit A are a sample of typical details that may or may not change during the final engineering design process.

2.6.4 No permit, license, or other land use approval of any other approval requested by or required from SiFi Networks shall be unreasonably withheld, conditioned or delayed by the City. Furthermore, SiFi Networks shall have no liability for any of its obligations hereunder (except for payment of City fees), if the necessary permits, licenses or approvals are not issued by the City. City retains all rights to deny applications not meeting applicable laws, rules and regulations.

2.7 **Other City charges.** In recognition of the public benefit being served in encouraging and facilitating the construction of the fully privately funded SiFi's System and other valuable consideration and benefits to City and the public gained from and due to the System, City agrees that SiFi shall not have to pay for use of the Public Way. Except as expressly set forth herein, each Party shall bear and be responsible for all of its own costs, fees and expenses incurred in executing and performing this Agreement. The City agrees that this Agreement shall not require SiFi Networks to comply with or otherwise be subject to any obligations or liabilities as a grantee of a franchise under the City's municipal code, ordinances or similar laws. The City agrees that City bonding and insurance requirements will be satisfied by bonds and insurance coverage provided as part of the encroachment permit application and supplied by the Construction Contractor (as principal) performing the construction of the System. Such bonds and insurance documentation to be supplied prior to the start of Construction. Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Section 2.6 will survive expiration or termination of this Agreement.

2.7 **Relocation, Modification, or Alternations.** Excluding relocations requested by the City pursuant to this Agreement and repairs or maintenance to the System, SiFi may not relocate, materially modify, or materially alter the System components any time after issuance of the permit(s) for the System, except upon City's written approval which approval will not be unreasonably withheld, delayed, or conditioned.

### SECTION 3

#### 3. **The System.**

3.1 **System Description.** SiFi Networks agrees to install the System within the Boundary using the Public Way, and further agrees to install, subject to a separate written agreement, the System to link at substantially below market rates City buildings and facilities including but not limited to traffic signals and municipal buildings within 4 years of commencement of Construction. The City will provide SiFi Networks a comprehensive list of locations and prioritization.



The System shall use fiber optic cable emanating from the Shelter to the applicable Cabinet in the Public Way and then to the private Premises Wall for each applicable Primary Premise. The City acknowledges and agrees that SiFi Networks has the right to install the System within the Boundary using the Public Way in order to make the delivery of Service over the System available to all Premises within the Boundary. The Parties acknowledge and agree that there is no agreed design or configuration of the actual location of the System within the Public Way at this time and that SiFi Networks shall submit such designs specification, plan and associated details to the City for approval when ready. The City will work with SiFi Networks to approve the physical location of the fiber optic cable and other equipment and components of the System in, on, over, under, upon, across, or along the Public Way and from the Public Way to the Premises Wall.

3.2 **Permits and General Obligations.** SiFi is deemed to have approval to locate the System within the Boundary, subject to applicable permits including but not limited to encroachments, licenses, or other forms of plan review and approval or authorization necessary to construct, install, operate, maintain, replace, reconstruct, or repair the System, or any part thereof, during the term of this Agreement and any extensions. Nothing herein entitles SiFi Networks to access or encroach upon private property without permission of the property owners. SiFi Networks shall provide plans to the City for City approval for the issuance of permits to construct the System. Construction and installation of the System shall be performed in a safe manner using materials of good and durable quality. Other than for the construction techniques agreed in Section 4.1 and described in Exhibit A, all permits shall be subject to the provisions set forth in the City's latest Encroachment Permit and Construction Specifications listed at <https://www.folsom.ca.us/community/engineering/specs.asp> and unless otherwise stated in this document. Subject to compliance with the City's Noise Control Ordinance listed at <https://www.codepublishing.com/CA/Folsom/html/Folsom08/Folsom0842.html>, standard work hours will be daily from 7am to 7pm local time unless City has different requirements which must be provided to SiFi Networks in advance. All transmission and distribution structures and equipment installed by SiFi Networks for use in the System in accordance with the terms and conditions of this Agreement shall be located so as to minimize interference with the proper use of the Public Way and the rights of property owners who own property that adjoin any such Public Way. SiFi Networks shall provide, or cause to be provided by its contractors, all necessary traffic control measures and warning signage for the protection of pedestrian and vehicular traffic. No installation in the City's Sewer and storm drainage system will be permitted. SiFi Networks will adhere to all City building code requirements; provided, however in the event of an inconsistency or conflict between the permits granted to SiFi Networks pursuant to this Agreement and the most current City building code provision, the City building code provision shall control other than for (i) the construction techniques agreed in Section 4.1 and described in Exhibit A, and (ii) previously constructed portions of the System.

## SECTION 4

### 4. Construction and Facilities.

4.1 **Construction of the System.** SiFi Networks will use commercially reasonable efforts to commence Construction on or before a date that is twenty-four (24) months after the Effective Date (the “**Construction Commencement Deadline**”); provided however, in the event of a Force Majeure Event, the Construction Commencement Deadline shall be extended by the time impact resulting from the Force Majeure Event. In addition, SiFi Networks will use commercially reasonable efforts to complete construction of the System on or before a date that is forty eight (48) months after the Construction Commencement Deadline (the “**Construction Completion Deadline**”); provided however, in the event of a Force Majeure Event, the Construction Completion Deadline shall be extended by the time impact resulting from the Force Majeure Event. The timeline shall also be extended due to and for the length of any delay by the City in performing its obligations hereunder or issuing the permits, licenses and approvals to SiFi or its contractors. Both Parties recognize and agree that SiFi Networks cannot guarantee the Construction Commencement Deadline or the Construction Completion Deadline as many elements are outside of its control. SiFi Networks will keep the City informed of the progress of its schedule at reasonable intervals.

SiFi agrees it shall make reasonable efforts to collaborate and coordinate with City in the installation of the System ahead of planned asphalt overlay projects by City. Notwithstanding any provision to the contrary, SiFi Networks agrees that it will only use slot cut micro-trenching as set forth in the specifications set forth in Exhibit A to this Agreement for all work in the City’s Public Way. City approves only the above referenced construction method and agrees to work cooperatively with SiFi Networks in reviewing all other potential construction methods; however, the City retains all rights to disapprove at the City’s sole and complete discretion any other construction method it does not approve.

4.1.2 SiFi shall be solely responsible for all repairs, maintenance, and adjustments, and damages, caused by SiFi or its contractors, to the System and City-owned property used by SiFi Networks under this Agreement and not caused by City’s sole negligence or willful misconduct. The City shall be liable to the extent any loss or damages to the System or other SiFi property and equipment results from the sole negligence or willful misconduct of acts or omissions the City or its employees or contractors.

### 4.2 Location of Equipment/Facilities.

4.2.1 **Facilities.** During the Term and if approved by the City in accordance with this Agreement, the City shall permit SiFi Networks access and grant a License to and use of the Facilities on City-owned property, at market rate to SiFi Networks for the installation and operation of SiFi Networks’ Shelters (approximately 1,000 square feet per location), distributed cabinets and other



System equipment, components, parts, and other appurtenances for the System and related facilities, and from which the fiber optic cables will be deployed, and SiFi Networks shall pay all costs of electricity required for such Shelters.

4.2.2 **Shelters and Cabinets Location.** SiFi Networks agrees to provide engineering designs including intended locations of Shelters and Cabinets required for the System to the City prior to Construction in accordance with City's permitting process. The City and SiFi Networks agree to cooperate in the selection of suitable sites for the Shelters and Cabinets. However, City has sole and absolute discretion to reject a proposed location; provided that, the City will use reasonable efforts to consider suitable alternative locations.

#### 4.3 **Subscriber Connections.**

4.3.1 **Fiber to the Premises Wall.** SiFi Networks will provide a terminated fiber to each Subscriber's Premises receiving a Drop in a manner to be determined by SiFi Networks. The location and the method of the Drop will vary depending on the circumstances of the location of the Subscriber's Premises.

4.3.2 **System Connection to the Premises Wall.** The following will apply to the connection to each Premises receiving a Drop:

(i) SiFi Networks or its designee shall be solely responsible for securing private property easement access rights necessary, advisable or appropriate to connect the System from the Subscriber property boundary to the Premises Wall. For the avoidance of doubt, in the event SiFi Networks cannot install fiber optic cable or other necessary equipment on private property because of a lack of a right to access the property, SiFi Networks shall not be required to make the System available to such Premises.

(ii) SiFi Networks shall have no duty to provide any additional connection after the terminated fiber has been taken to the ONT on the Premises Wall.

## SECTION 5

### 5. **Oversight and Regulation by City.**

5.1 **Oversight of Construction.** In accordance with applicable law, the City shall have the right to oversee and inspect the Construction of the System in the Public Way.

5.2 **Compliance with Applicable Laws.** SiFi Networks shall, at all times during the Term, be subject to and comply with all applicable federal, state laws and local laws regarding the Construction of the System in the Public Way.

5.3 **Treatment of SiFi Provided Information.** The City agrees to notify SiFi Networks if the City receives a California Public Records Act request relating to SiFi Networks provided information and documents or the System.

## SECTION 6

### 6. **Insurance.**

SiFi shall procure at its sole expense and maintain from the Effective Date and for the duration of the Term of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the SiFi, its agents, representatives, employees, or subcontractors.

#### 6.1 **Minimum Scope and Limit of Coverage.**

Coverage shall be at least as broad as:

A. Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit. Coverage shall include blanket contractual liability and broad form property damage, premises, operations, explosion, collapse, underground hazard (commonly referred to as “X”, “C” and “U” coverages

B. Automobile Liability: Insurance Services Office Form CA 0001 covering Code 1 (any auto), with limits no less than \$1,000,000 per accident for bodily injury and property damage.

C. Workers’ Compensation insurance as required by the State of California, with Statutory Limits, and Employers’ Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease.

D. Builder’s Risk (Course of Construction) insurance utilizing an “All Risk” (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.

E. Professional Liability with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate. The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of contract work. If coverage is canceled or non-renewed, and

not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the SiFi must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work. A copy of the claims reporting requirements must be submitted to the City for review.

F. Pollution Legal Liability and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate. If the services involve lead-based paint or asbestos identification/remediation, the Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

If the Contractor or SiFi maintains broader coverage and/or higher limits than the minimums shown above for all policies, the City requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor or SiFi. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City to the extent necessary to cover any actual damages suffered by the City.

## **6.2 Self-Insured Retentions**

Self-insured retentions must be declared to and approved by the City. At the option of the City, SiFi shall cause the insurer to reduce or eliminate such self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or SiFi shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

## **6.3 Other Insurance Provisions:**

**A. Additional Insured.** The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL and automobile policy with respect to liability arising out of work or operations performed by or on behalf of SiFi including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of SiFi. General liability coverage can be provided in the form of an endorsement to the Sifi's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

**B. Primary and Non-Contributory Insurance.** For any claims related to this project, SiFi's CGL and automobile insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the SiFi's insurance and shall not contribute with it.

**C. Notice of Cancellation.** SiFi shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Sifi shall forthwith obtain and submit proof of substitute insurance.

**D. Builder's Risk (Course of Construction) Insurance.** SiFi may, if requested by the City, submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name the City as a loss payee as their interest may appear.

If the project does not involve new or major reconstruction, at the option of the City, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the City's site.

**E. Acceptability of Insurers.** Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to the City.

**F. Waiver of Subrogation.** SiFi hereby agrees to waive rights of subrogation which any insurer of SiFi may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer. However, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

**G. Verification of Coverage.** SiFi shall furnish City with Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to City before the date of the start of Construction. However, failure to obtain the required documents prior to the work beginning

shall not waive the SiFi's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

**H. Contractor/Subcontractors.** SiFi shall require and verify that its Contractor and all subcontractors maintain insurance meeting all the requirements stated herein, and SiFi shall require its Contractor and all the subcontractors to list City is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

**I. Special Risks or Circumstances.** City reserves the right to modify, at any time, these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

## SECTION 7

### 7. Parties' Obligations.

**7.1 City Cooperation.** City agrees to work in good faith with SiFi Networks as it applies to City for permits that may be required by City and in the event state or federal law or regulations prevents or precludes compliance with one or more provisions of this Agreement, or requires material modification of the Agreement, SiFi Networks shall promptly notify the City in writing of the anticipated duration of any delay caused thereby, and provided any such delay is not the fault of SiFi Networks, the parties agree SiFi Networks may seek an extension of this Agreement as approved by the City as may be reasonably necessary to comply with such new state and federal laws or regulations or the regulations of other governmental jurisdictions.

When reasonably able, City will provide SiFi Networks with a least thirty (30) days advance notice of any work in the Public Way that requires the relocation of the System. In addition, where necessary, the City will provide SiFi Networks with an opportunity to access the System at the time of the excavation in the Public Way by others.

**7.2 Obligations of SiFi Networks.** In addition to all other duties and obligations contained elsewhere in this Agreement, SiFi Networks has the following duties and obligations:

- (i) Work closely with the SPOC of the City and relevant City departments with respect to the construction of the System.
- (ii) Comply with all requirements of City for permit and Public Way use applications, to the extent they may be required.
- (iii) Provide or arrange for the maintenance of the System and its functionality and operation.



(iv) SiFi Networks and its contractors shall register with California DigAlert; and

(v) SiFi Networks to relocate its facilities as needed for City capital improvement projects provided however that such City capital improvements project shall be limited to only those projects impacting, directly or indirectly, more than three hundred (300) contiguous feet of the System in the Public Way or the Sewer System (“Major Public Works Project”). Such Major Public Works Project(s) shall not include routine maintenance and repair that does not impact the System, including without limitation repair of pot holes, milling and repaving of roadways, and repair and replacement of sewer pipes and/or other aspects of the Sewer System. The City shall provide SiFi Networks with not less than sixty (60) days written notice of such Major Public Works Project, and SiFi shall temporarily relocate or cause to be relocated any of its impacted System within one hundred eighty (180) days of notification by the City at its sole cost and expense. In the event SiFi Networks determines in its sole discretion that such Major Public Works Project will have a material impact on the System such that it would be in the best interests of the Parties to temporarily or permanently relocate some or all of the System, the City agrees to provide all reasonable accommodations as reasonably requested by SiFi Networks and with no cost or charge by the City to SiFi Networks other than standard encroachment permit application and inspection fees, to allow and facilitate SiFi Networks the ability to temporarily or permanently relocate such portion of the System in or around the Public Way or Sewer System in a manner sufficient to maintain the operation of the System pursuant to the terms of the Agreement. SiFi Networks shall be responsible for the cost of any such temporary or permanent relocation of any portion of the System in connection with a Major Public Works Project.

(vi) SiFi Networks will endeavor to facilitate an introductory meeting between the City and Service Provider(s) who use the Network to provide services to residential and business, and further will advise any such Service Provider(s) that the City may require fees as required by law or regulation.

(vii) Provide response times in connection with repairs to be undertaken by SiFi Networks and/or contractors retained by SiFi Networks (as opposed to repairs to be undertaken by the City) and to establish the necessary personnel levels for required dispatch, repair, inventory, maintenance, and service of the System commencing no earlier than Substantial Completion as follows:

(i) Depending upon the type of fault or the method of identification, the City shall notify SiFi of a suspected fault and the



generation of a service ticket. The City shall issue to SiFi one of the following service ticket(s), for which SiFi shall provide the corresponding response time:

(1) Standard Response (“STANDARD”)

a) Description: Construction in progress, capital improvement and other such projects impacting or potentially impacting the SiFi System and/or may impact the SiFi System, about which the City is aware of in advance. Examples of such projects include mill and fill projects, side relocations, road reclamation projects, and other similar projects, provided that any such STANDARD repair is subject to the then current California Dig Safe laws and regulations, and all other applicable laws and regulations.

b) SiFi’s contractor response time: On-site within forty-five (45) business days

(2) Non life threatening Emergency Response (“NON-LTER”)

a) Description: Curb and gutter projects, and utility (including telecommunications) projects requiring relocation, repair, or replacement that are impacted by the SiFi System and/or may impact the SiFi System, provided that any such NON-LTER repair is subject to the then current California Dig Safe laws and regulations, and all other applicable laws and regulations.

b) SiFi response time: On-site within seventy-two (72) hours

(3) Life Threatening Emergency Response (“LTER”)

a) Description: Break or hit in the main gas, main electric, main water, or main sewer line in the Public Way that has an immediate and direct impact to the traveling safety of the public in or around the Public Way, and wherein the City’s ability to implement repairs are impacted by the SiFi System and/or City repairs may impact the SiFi System.

b) SiFi's contractor response time: On-site within four (4) hours

(ii) Upon receipt of a service ticket as set forth herein, SiFi will use reasonable efforts to dispatch a technician to the specified fault location as identified by the City. SiFi, working with the City, will then make the determination as to whether the technician will proceed with the repair(s) if possible, wait for arrival of a City contractor if necessary for investigation and/or repair of work, or leave the site.

## SECTION 8

### 8. Breach; Rights and Remedies; Termination; Indemnification.

8.1. SiFi Networks Breach or Default. In the event the City believes that SiFi Networks has not complied with or is otherwise in default with regard to any term of this Agreement, the City shall promptly notify SiFi Networks in writing with specific details regarding the exact nature of the alleged noncompliance or default (a "City Breach Notice").

8.1.1 SiFi Networks' Right to Cure or Respond. SiFi Networks shall have thirty (30) calendar days from its receipt of a City Breach Notice (the "Initial SiFi Cure Period") to:

(i) respond to the City, contesting the assertion of noncompliance or default and in such event the Parties shall use commercially reasonable efforts to promptly resolve such contest and to the extent the Parties are unable to resolve such contest within thirty (30) calendar days of SiFi Networks' response, each Party shall be entitled to seek any and all rights and remedies available to it at law or in equity to resolve such contest; or

(ii) cure an actual default or noncompliance; provided, however, in the event that the default is curable but due to the nature of the default or noncompliance, such default or noncompliance cannot be cured within the Initial SiFi Cure Period, so long as SiFi Networks initiates reasonable steps to remedy and continuously and diligently uses all reasonable efforts to cure such default or noncompliance promptly and notifies the City of the steps being taken and the projected date that they will be completed, the Initial SiFi Cure Period shall be extended for a reasonable amount of time to permit such cure but not to exceed sixty (60) calendar days from SiFi Networks' receipt of a City Breach Notice (the "Extended SiFi Cure Period" and together with the Initial SiFi Cure Period, the "SiFi Cure Period").

### 8.1.2 City Rights and Remedies.

(i) Except as provided in Sections 8.1.2(ii), (iii) and (iv) below which shall control in connection with the events described therein, if SiFi Networks fails to cure any actual noncompliance or default as provided in Section 8.1.1(ii) above within the SiFi Networks' Cure Period, the City may:

(a) seek specific performance of any provision of this Agreement which lends itself to such remedy as an alternative to money damages; or

(b) seek money damages from SiFi Networks; or

(c) in the event of the breach of, noncompliance with or default under any material term of this Agreement, terminate this Agreement and seek any and all rights and remedies available to it at law or in equity.

(ii) Subject to Section 10.2 below and provided that all applicable permits have been issued by the City, in the event SiFi Networks fails to commence Construction on or before the Construction Commencement Deadline in accordance with Section 4.1 above and subsequently fails to commence Construction within the SiFi Cure Period, the City may provide written notice to SiFi Networks of the City's intent to terminate this Agreement for such failure. SiFi Networks shall have an additional thirty (30) calendar day period after the SiFi Cure Period to commence Construction (the "**Additional SiFi Cure Period**"). If SiFi Networks fails to commence Construction by the last day of the Additional SiFi Cure Period, the City may terminate this Agreement by written notice to SiFi Networks and seek appropriate damages under this Agreement.

(iii) Subject to Section 10.2 below and provided that all applicable permits have been issued by the City, in the event SiFi Networks fails to complete construction of the System by the Construction Completion Deadline in accordance with Section 4.1 above and subsequently fails to complete said construction within the SiFi Cure Period, the City may provide written notice to SiFi Networks of the City's intent to terminate this Agreement for such failure. SiFi Networks shall have an additional thirty (30) calendar day period after the SiFi Cure Period to complete construction (the "**Additional SiFi Completion Cure Period**"). If SiFi Networks fails to complete said construction by the last day of the Additional SiFi Completion Cure Period, then SiFi Networks shall cease further construction but shall be allowed to operate the partially completed System.

(iv) Subject to Section 10.2 below and provided that all applicable permits have been issued by the City, at any time after

Substantial Completion is achieved, in the event no internet, voice, data, or video service of any kind is capable of being provided over the System due solely to the acts or omissions of SiFi Networks for a period in excess of thirty (30) consecutive calendar days and SiFi Networks fails to restore such capability within the SiFi Cure Period, the City may provide written notice to SiFi Networks of the City's intent to terminate this Agreement. SiFi Networks shall have an additional thirty (30) calendar day period after the SiFi Cure Period to restore the capability of the System to provide Service (the "**Additional SiFi Service Cure Period**"). If SiFi Networks fails to restore the capability of the System to provide Service by the last day of the Additional SiFi Service Cure Period, then SiFi Networks shall cease further construction but shall be allowed to operate the partially completed System.

(v) Notwithstanding anything to the contrary in this Agreement, in no event shall the City be permitted to terminate this Agreement if the City is in breach of or default under this Agreement.

8.2 **City Breach or Default.** In the event SiFi Networks believes that the City has not complied with or is otherwise in default with regard to any term of this Agreement, SiFi Networks shall promptly notify the City in writing with specific details regarding the exact nature of the alleged noncompliance or default (a "**SiFi Breach Notice**"). The failure to promptly provide such notice, however, shall not act as a waiver of any rights and remedies of SiFi Networks hereunder unless and only to the extent that the City is materially prejudiced by such failure.

8.2.1 **City's Right to Cure or Respond.** The City shall have thirty (30) calendar days from its receipt of a SiFi Breach Notice (the "**City Cure Period**"; provided that the City Cure Period for a failure of the City to review permit applications and issue a permit(s) necessary to construct the System as required under Sections 3.2 and 7.2.1(iv) (a "**Permit Issuance Breach**") shall be seven (7) business days from its receipt of a SiFi Breach Notice) to:

(i) respond to SiFi Networks, contesting the assertion of noncompliance or default and in such event the Parties shall use commercially reasonable efforts to promptly resolve such contest and to the extent the Parties are unable to resolve such contest within thirty (30) calendar days of the City's response, each Party shall be entitled to seek any and all rights and remedies available to it at law or in equity to resolve such contest; or

(ii) cure an actual default or noncompliance; provided, however, in the event that the default is curable but due to the nature of the default or noncompliance, such default or noncompliance cannot be cured within the City Cure Period, so long as the City initiates reasonable steps to remedy and continuously and diligently uses all reasonable efforts to cure such default or noncompliance promptly and notifies SiFi Networks of the steps being taken and the projected date that they will be completed,

the City Cure Period shall be extended for a reasonable amount of time to permit such cure but not to exceed ninety (90) calendar days from the City's receipt of a SiFi Breach Notice (the "**Extended City Cure Period**"); provided further, however, no Extended City Cure Period shall apply to a Permit Issuance Breach.

8.2.2 **SiFi Networks Rights and Remedies.** If the City fails to cure any actual noncompliance or default as provided in Section 8.2.1(ii) above within the applicable City Cure Period, SiFi Networks may:

- (i) seek specific performance of any provision of this Agreement which lends itself to such remedy as an alternative to money damages; or
- (ii) in the event of the breach of, noncompliance with or default under any material term of this Agreement, terminate this Agreement.

8.3 **Additional Rights to Terminate.**

8.3.1 At any time prior to commencing Construction or in the event the City fails to comply with the requirements of the Agreement, SiFi Networks shall have the immediate right, at its option, upon notice to the City to terminate this Agreement and shall be entitled to any and all other rights and remedies available to it at law or in equity, subject to the specific legal limitations SiFi Networks agreed to in this Agreement.

8.3.2 A Party shall have the right, at its option, upon notice to the other Party to terminate this Agreement if the other Party becomes (i) insolvent, admits in writing its inability to pay its debts as they mature, makes an assignment for the benefit of creditors, or becomes subject to direct control of a trustee, receiver or similar authority, or (ii) subject to any bankruptcy or insolvency proceeding under federal, state or foreign statutes which is not rescinded or dismissed within thirty (30) calendar days.

8.4 **Indemnification.**

SiFi Networks shall defend, indemnify and hold the City, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner which actually or allegedly arise out of or are incident to any alleged intentional or negligent acts, errors, omissions, or willful misconduct of SiFi Networks, its officials, officers, employees, agents, contractors and subcontractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all attorney's fees and other related costs and expenses except



where caused by the sole negligence, or willful misconduct of the City its officers, officials, employees and volunteers. SiFi Networks shall defend, at its own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the City, its directors, officials, officers, employees, agents or volunteers. SiFi Networks shall pay and satisfy any judgment, award or decree that may be rendered against the City or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. SiFi Networks shall reimburse the City, its officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. SiFi Networks' obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City its officials, officers, employees, agents or volunteers. It is understood that the duty of SiFi Networks 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 insurance certificates and endorsements required under this Agreement does not relieve SiFi Networks 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, and shall further survive the expiration or termination of this Agreement. By execution of this Agreement, SiFi Networks acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

**8.5 Limitation of Liability.** IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, RELIANCE, OR PUNITIVE DAMAGES OF ANY KIND OR NATURE WHATSOEVER, INCLUDING ANY LOST SAVINGS OR HARM TO BUSINESS. EACH PARTY HEREBY RELEASES THE OTHER PARTY AND ITS AFFILIATES AND THEIR RESPECTIVE DIRECTORS, OFFICERS, MANAGERS, MEMBERS, EQUITY AND DEBT HOLDERS, PARTNERS, EMPLOYEES, CONTRACTORS AND REPRESENTATIVES AND THEIR HEIRS, SUCCESSORS AND ASSIGNS, FROM CLAIMS FOR ANY SUCH DAMAGES. Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Section 8.5 will survive expiration or termination of this Agreement.

## **SECTION 9**

### **9. Disputes.**

9.1 For all claims, disputes or controversies arising out of, or in connection with, the breach, interpretation, application, or enforcement of this Agreement, or arising out of, or in connection with, the System which cannot be settled through negotiation, the Parties agree first to try in good faith to settle the matter by mediation in Sacramento County, California, prior to commencing litigation.



9.2 All claims, disputes or controversies arising out of, or in connection with, the breach, interpretation, application, or enforcement of this Agreement, or arising out of, or in connection with, the System, shall be decided in a court of law. The sole and exclusive venue for all claims, disputes or controversies arising out of, or in connection with, the breach, interpretation, application, or enforcement of this Agreement, or arising out of, or in connection with, the System, shall be in a state court in Sacramento County, California.

## SECTION 10

### 10. Miscellaneous Provisions

10.1 **Assignment.** The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and each of their respective successors and assigns as provided herein. The City shall not be permitted to assign, sell or transfer this Agreement, or its rights and duties under this Agreement, without the prior written consent of SiFi Networks, which consent shall not be unreasonably withheld, conditioned, or delayed. SiFi Networks shall have the right to assign, novate, sell, encumber, or transfer this Agreement and the System or any part thereof, without the consent of the City to Sifi's principal, affiliates, subsidiaries, subsidiaries of its principal or to any entity which acquires all or substantially all of the SiFi's assets in the market by reason of a merger, acquisition, or other business reorganization, provided such assignee, purchaser, or transferee has all appropriate licenses, to the extent SiFi's licenses, permits and approvals cannot be assigned or transferred, for the operation, management, and maintenance of the facilities contemplated herein and sufficient financial resources to fulfill all applicable terms and obligations under this Agreement. All other assignment, sale, or transfer by SiFi Networks of this Agreement shall require prior written consent of the City, which shall not be unreasonably withheld, delayed or conditioned. At least thirty (30) calendar days prior to the effective date, or as soon as practicable, of any such assignment, sale or transfer, SiFi shall provide City with a fully executed copy of the assignment, sale or transfer document, signed by both Sifi and assignee/purchaser/transferee, indicating the assignee's/purchaser's/ transferee's assumption of all of SiFi's performance duties, liabilities and obligations under this Agreement. SiFi shall not be relieved of its performance duties, liabilities or obligations under this Agreement until City is in receipt, of a fully executed copy of the document evidencing such assignment of the obligations herein and the assignee's/purchaser's/transferee's assumption of SiFi's performance duties, liabilities, and obligations under this Agreement. Sifi may not otherwise assign this Agreement or the System without City's consent, City's consent not to be unreasonably withheld, conditioned, or delayed. Upon any such assignment, sale, transfer, or novation, SiFi Networks shall be released from all obligations and liabilities under this Agreement from and after the date of such assignment. SiFi Networks shall give the City thirty (30) days' advance notice of such assignment, sale, transfer or novation disclosing the identity of the Person to whom it has been assigned, transferred, sold or novated. The City agrees from time to time to promptly deliver (and in no event later than ten (10) days after request by SiFi Networks) to SiFi Networks an estoppel certificate addressed to the assignee, buyer

or transferee designated by SiFi Networks, affirming for the benefit of such buyer, assignee or transferee the following (to the extent that the following are then true): the Agreement is in full force and effect; SiFi Networks is not in default thereunder; and such other matters as such assignee, buyer or transferee may reasonably request.

10.2 **Force Majeure.** Except as otherwise expressly set forth in this Agreement, SiFi Networks will not be held in default under, or in breach or noncompliance with, the provisions of this Agreement, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of this Agreement), where such noncompliance or alleged defaults occurred or were caused by any of the following events (each a “**Force Majeure Event**”): failure by the City to issue permit(s) required to construct the System or any part thereof to SiFi Networks or its contractor(s), failure by the City to comply with this Agreement, conduct by the City that materially interferes with SiFi Networks’ ability to perform, labor strike, riot, war, earthquake, flood, hurricane, drought, tornado, unusually severe weather conditions, or other act of nature, labor disputes, failure of utility service necessary to construct the System, governmental, administrative or judicial order, or other event that is beyond SiFi Networks’ reasonable control. Force Majeure Events also include work delays caused by waiting for utility providers to service or monitor their own utility infrastructure on which SiFi Networks’ fiber optic cable and/or equipment may be deployed, as well as unavailability of materials and/or reasonably qualified labor to perform the work.

10.3 **Notice.** All notices and communications hereunder shall be in writing and shall be served upon the other party by hand delivery, nationally recognized overnight delivery service, United States certified mail, return receipt requested, electronic mail, or by facsimile with confirmed transmission and addressed as follows:

IF TO THE CITY:  
City of Folsom  
50 Natoma Street  
Folsom, CA 95630  
Attn: City Attorney

IF TO SIFI NETWORKS:  
SiFi Networks  
841 Apollo Street, Suite 470  
El Segundo, CA 90245  
**Email: NOTICES@SiFiNetworks.com**

or to such other address as such Party may hereafter specify for the purpose by notice to the other Party in the manner provided in this Section 10.3. All such notices, requests and other communications will be deemed received on the date of receipt if received prior to 5 p.m. on any business day in the place of receipt. Otherwise, any such notice, request or communication will be deemed not to have been received until the next succeeding

business day in the place of receipt. Rejection or other refusal to accept or inability to deliver because of change of address of which no notice was given shall be deemed to be receipt of the notice.

10.4 **Entire Agreement.** This Agreement, including all Exhibits, embodies the entire understanding and agreement of the City and SiFi Networks with respect to the subject matter hereof. This Agreement supersedes all other agreements whether written, verbal, or otherwise between SiFi Networks and the City with respect to the subject of this Agreement.

10.5 **Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement (which other terms and provisions shall remain in full force and effect) or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

10.6 **Governing Law.** This Agreement shall be deemed to be executed in the State of California and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with, the laws of the State of California as applicable to contracts entered into and performed entirely within the State, irrespective of conflict of laws principles.

10.7 **Modification.** This Agreement shall not be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by the City and SiFi Networks. For the avoidance of doubt, this Agreement cannot be amended or modified orally or by course of conduct, and no executory agreement, oral agreement or course of conduct shall be effective to amend or modify this Agreement in whole or in part.

10.8 **No Third Party Beneficiaries.** Nothing in this Agreement or in any prior agreement is or was intended to confer third party beneficiary status on any party or Person not a party to this Agreement including a member of the public.

10.9 **No Waiver of Rights.** Nothing in this Agreement shall be construed as a waiver of any rights, substantive or procedural that SiFi Networks or the City may have under federal or state law unless such waiver is expressly stated herein.

10.10 **No Rights to the System.** The City expressly agrees that, except as expressly set forth in this Agreement, it does not and shall not claim at any time any interest or estate of any kind or extent whatsoever in the System, throughout the term of this Agreement. Except as provided in Section 8.1.2 (iii) and Section 8.1.2 (iv) above, SiFi Networks shall, at all times, retain title to and ownership of the System and all future

extensions of the System, and shall have the right to lease the System or parts thereof to a provider of internet, data, voice, video and other services.

**10.11 Representations and Warranties.**

10.11.1 The City represents and warrants to SiFi Networks that: (a) it has full authority (including the authority required by any applicable law, ordinance, rule or regulation) to enter into and perform this Agreement and the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby are within the right, power and authority of the City and have been duly authorized by all necessary action on the part of City, (b) this Agreement has been duly executed and delivered by the City and it constitutes a legal, valid and binding agreement of the City enforceable against the City in accordance with its terms (except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity) and (c) the execution and delivery of this Agreement by the City and its performance hereunder and thereunder will not violate any law, ordinance, rule, or regulation applicable to the City.

10.11.2 SiFi Networks represents and warrants to the City that: (a) it has full authority to enter into and perform this Agreement and the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby are within the power and authority of SiFi Networks and have been duly authorized by all necessary action on the part of SiFi Networks, (b) this Agreement has been duly executed and delivered by SiFi Networks and it constitutes a legal, valid and binding agreement of SiFi Networks enforceable against SiFi Networks in accordance with its terms (except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity) and (c) the execution and delivery of this Agreement by SiFi Networks and its performance hereunder and thereunder will not violate any law, rule, or regulation applicable to SiFi Networks.

10.11.3 OTHER THAN EXPLICIT REPRESENTATIONS AND WARRANTIES MADE BY SIFI TO CITY, SIFI NETWORKS MAKES NO REPRESENTATIONS OR WARRANTIES TO THE CITY OR ANY PERSON WITH RESPECT TO THE SYSTEM (OR THE COMPONENTS THEREOF) AND HEREBY DISCLAIMS ANY AND ALL EXPRESS, IMPLIED, OR STATUTORY WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AVAILABILITY, ERROR-FREE OR UNINTERRUPTED OPERATION, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE. TO THE EXTENT THAT SIFI NETWORKS MAY NOT AS A MATTER OF APPLICABLE LAW DISCLAIM ANY IMPLIED WARRANTY, THE SCOPE



AND DURATION OF SUCH WARRANTY WILL BE THE MINIMUM PERMITTED UNDER SUCH LAW.

10.12 **Third Parties.** Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either SiFi Networks or the City.

10.13 **No Partnership.** Nothing in this Agreement shall be construed to create a partnership, joint venture or agency relationship between the City and SiFi Networks or any other relationship other than a contractual relationship as expressly set forth in this Agreement. Neither Party shall in any manner act or indicate to any third party that is acting as the agent of the other Party. SiFi Networks shall at all times remain an independent contractor. Neither Party shall control or direct the day-to-day affairs of the other Party, or their mode or method of performing their respective obligations hereunder.

10.14 **Headings.** The headings and captions of this Agreement are solely for the convenience of the Parties and shall not be deemed to modify or vary any of the substantive terms thereof.

10.15 **Construction.** Each of the Parties acknowledge that each Party to this Agreement has been represented by counsel in connection with this Agreement. Legal or equitable principles that might require the construction of this Agreement or any provision hereof against the party drafting this Agreement shall not apply in any construction or interpretation of this Agreement and is expressly waived. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement. References to Articles, Sections, and clauses are to Articles, Sections and clauses of this Agreement unless otherwise specified. Any singular term in this Agreement will be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they will be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively.

10.16 **Counterparts.** This Agreement may be signed in any number of counterparts, each of which will be deemed an original, with the same effect as if the signatures were upon the same instrument. A signed copy of this Agreement delivered

by facsimile, e-mail or other means of electronic transmission (including PDF) shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

10.17 **Further Assurances.** Each Party agrees that it will execute and deliver such other documents and take such other action as may be reasonably requested by the other Party to effectuate the purposes and intention of this Agreement.

10.18 **No Waiver.** No provision of this Agreement may be waived unless such waiver is in writing and signed by the Party against whom the waiver is to be effective. No failure or delay by a Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

[Signature page follows]



**IN WITNESS WHEREOF**, the Parties have caused this Fiber Networks Installation Agreement to be executed as of the day and year stated above.

**CITY OF FOLSOM,**  
a municipal corporation

Dated: \_\_\_\_\_, 2020

\_\_\_\_\_  
\_\_\_\_\_  
City Manager

Approved as to form:

\_\_\_\_\_  
\_\_\_\_\_  
City Attorney

**SIFI NETWORKS FOLSOM LLC,**  
a Delaware limited liability company

Dated: \_\_\_\_\_, 2020

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_

EXHIBIT A  
SPECIFICATIONS, SHELTERS, CABINETS

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CITY OF  
**FOLSOM**  
A COMMUNITY RE-IMAGINED

## Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	New Business
<b>SUBJECT:</b>	Ordinance No. 1318 - Ordinance of the City of Folsom Amending Section 10.20.510 of the Folsom Municipal Code to Increase Parking Penalty in Certain Areas of the Historic District (Introduction and First Reading)
<b>FROM:</b>	Public Works Department

### RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council introduce and conduct the first reading of Ordinance No. 1318 - Ordinance of the City of Folsom Amending Section 10.20.510 of the Folsom Municipal Code to Increase Parking Penalty in Certain Areas of the Historic District (Introduction and First Reading).

### BACKGROUND / ISSUE

In 2019 the City Council directed the formation of the Historic District Ad Hoc Parking Solutions Committee, which was a committee comprised of residents, business owners and other community stakeholders to develop recommendations to address the parking issues facing the Historic District. The committee completed their work in Spring 2020 and reported their findings and recommendations back to City Council, which the City Council then in turn directed staff to implement over time. One of the committee's high-priority recommendations was to increase the frequency and scope of parking enforcement. Another recommendation, to implement and enforce a residential permit parking program, is also under way (as a temporary pilot) but will require consistent parking enforcement to be effective. Currently the fine for violating a parking regulation anywhere in the City of Folsom is \$25 and has been that amount since 1994. In terms of the value of the dollar, a \$25 fine may not be the deterrent it was almost three decades ago; many motorists seem to be willing to accept a \$25 fine and either pay it or ignore it. Increasing the amount of the fine may make a more effective deterrent, which in turn

improves compliance with posted parking restrictions and maximizes the effectiveness of parking management strategies.

### **DISCUSSION**

Given the concentration of parking demand in the Historic District, and the success of parking strategies being tied directly to compliance, staff is recommending that the fine for parking violations in certain designated areas of the Historic District be increased from \$25 to \$75. This increase would only apply with the portion of the Historic District bounded by, and to include Coloma Street, Leidesdorff Street, Folsom Boulevard, and Natoma Street. A map diagram of the affected area is attached as Attachment No. 2 to this Staff Report. This increased fine is supported by the Folsom Historic District Association and the Historic Folsom Residents Association.

### **FINANCIAL IMPACT**

This action should not have any significant financial impact to the City of Folsom for increasing the parking fine amount from \$25 to \$75 in the designated area of the Historic District. If implemented, the additional revenue from the increased fines would have a negligible impact to the City's general fund.

### **ENVIRONMENTAL REVIEW**

This action is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines.

### **ATTACHMENTS**

1. Ordinance No. 1318 - Ordinance of the City of Folsom Amending Section 10.20.510 of the Folsom Municipal Code to Increase Parking Penalty in Certain Areas of the Historic District (Introduction and First Reading)
2. Map diagram showing designated area in the Historic District subject to the new \$75 parking penalty

Submitted,



Mark Rackovan, PUBLIC WORKS DIRECTOR

# Attachment 1



**ORDINANCE NO. 1318****AN ORDINANCE OF THE CITY OF FOLSOM  
AMENDING SECTION 10.20.510 OF THE FOLSOM MUNICIPAL CODE TO  
INCREASE PARKING PENALTY IN CERTAIN AREAS OF THE HISTORIC  
DISTRICT**

The City Council of the City of Folsom does hereby ordain as follows:

**SECTION 1 PURPOSE**

The purpose of this Ordinance is to amend Section 10.20.510 of the Folsom Municipal Code as it pertains to the amount of parking penalties. Specifically, this Ordinance seeks to increase the amount of the parking penalty from \$25 to \$75 within an area of the Historic District bounded by, and to include Coloma Street, Leidesdorff Street, Folsom Boulevard, and Natoma Street.

**SECTION 2 AMENDMENT TO CODE**

Section 10.20.510 of the Folsom Municipal Code is hereby amended to read as follows:

**10.20.510 General.**

The violation of any section of this chapter, unless otherwise specified, shall be punishable by a parking penalty of twenty-five dollars for each violation. Notwithstanding the foregoing, violations that occur within the portion of the Historic District bounded by, and to include Coloma Street, Leidesdorff Street, Folsom Boulevard, and Natoma Street, shall be punishable by a parking penalty of seventy-five dollars for each violation.

**SECTION 3 SCOPE**

Except as set forth in this Ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

**SECTION 4 NO MANDATORY DUTY OF CARE**

This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

**SECTION 5 SEVERABILITY**

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent

jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

**SECTION 6 EFFECTIVE DATE**

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on November 9, 2021 and the second reading occurred at the regular meeting of the City Council on December 14, 2021.

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 14th day of December 2021, by the following roll-call vote:

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

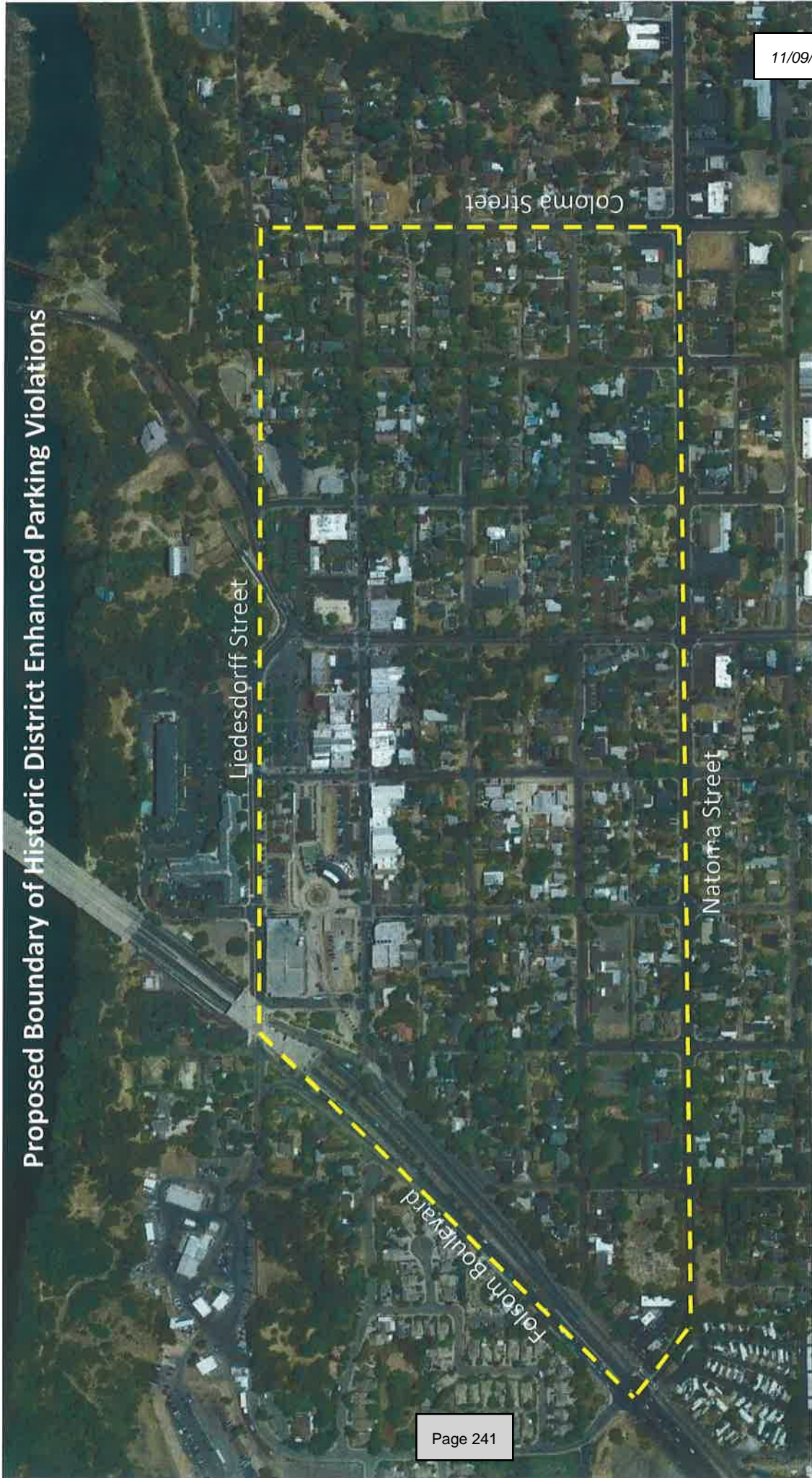
\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

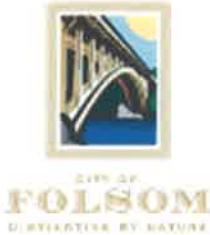
## Attachment 2

Proposed Boundary of Historic District Enhanced Parking Violations



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## Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	New Business
<b>SUBJECT:</b>	Ordinance No. 1319 - An Ordinance of the City of Folsom Amending Section 3.20.040 of the Folsom Municipal Code Pertaining to Responsible Parties for Municipal Services (Introduction and First Reading)
<b>FROM:</b>	Finance Department

### **RECOMMENDATION / CITY COUNCIL ACTION**

It is recommended that the City Council introduce and conduct the first reading of Ordinance No. 1319 - An Ordinance of the City of Folsom Amending Section 3.20.040 of the Folsom Municipal Code Pertaining to Responsible Parties for Municipal Services.

### **BACKGROUND / ISSUE**

The purpose of this Ordinance is to amend Section 3.20.040 of the Folsom Municipal Code to identify that real property owners are responsible for payment of municipal services provided to their properties such as, for example, solid waste, water, and sanitary sewer service.

As a health and safety requirement, services are not terminated or interrupted in between occupants. When a resident moves into a new property, we allow rental occupants to open utility accounts in their name if the real property owner has a current business license certificate and a \$240 deposit is added to the new utility account. Additionally, commercial accounts allow for a split amongst individual tenants for flat rate services provided to one parcel. We are the only agency surveyed in our region that allows for these utility services to transfer to a tenant and/or split services amongst tenants on one parcel.

California Health and Safety Code 5473 allows delinquent utility charges to be collected as a direct levy on the property tax roll. Folsom Municipal Code 3.20.040 also allows for unpaid



charges to be collected on the property tax roll, and the Revenue Division administers this process annually. As the City has grown over the years, having utility accounts in the tenant's name has resulted in a significant increase in staff time processing and managing tenant accounts, and presented unique challenges for the City to collect delinquent payments.

### **POLICY / RULE**

Amendments and revisions to the Folsom Municipal Code must be reviewed and approved by the City Council.

### **ANALYSIS**

The proposed ordinance amendment would identify that the owner of real property is responsible for utility service charges. This is in accordance with California Health and Safety Code section 5473 *et.seq.* and Folsom Municipal Code section 3.20.040, which allow delinquent service charges and applicable penalties to be collected on the tax roll and paid by the real property owner. Since property taxes are the responsibility of, and billed to, the real property owner, the best practice for these utility services is to also bill directly to the real property owner.

Rental properties located in American River Canyon are serviced by San Juan Water District, and they are already subject to this practice with the water portion of their utility bill. El Dorado Irrigation District, which will serve a future portion of the Folsom Plan Area, also adheres to the practice of billing the real property owner for utility services.

Thirty percent of the monthly turnover in utility accounts is due to changes in tenants, and the same amount of customer service time is spent identifying new account responsibility. The real property owner of a parcel is an official County recorded document that can be searched at any time by staff. This amendment allows the City to provide municipal service billing more efficiently, economically, and accurately. Property owners may, if they desire, contractually arrange with their tenants for making the utility payments.

The Revenue Division is recommending an 18-month transition after this ordinance is approved. As new rental starts are requested, staff will provide an explanation of the change in process, what this change means to them as a customer or property owner, and how a tenant can be authorized to receive a copy of the utility bill.

### **ATTACHMENT**

1. Ordinance No. 1319 - An Ordinance of the City of Folsom Amending Sections 3.20.040 of the Folsom Municipal Code (Introduction and First Reading)

Submitted,



---

Stacey Tamagni, Finance Director

**ORDINANCE NO. 1319**

**AN ORDINANCE OF THE CITY OF FOLSOM AMENDING SECTION 3.20.040  
OF THE FOLSOM MUNICIPAL CODE PERTAINING TO RESPONSIBLE  
PARTIES FOR MUNICIPAL SERVICES**

The City Council of the City of Folsom does hereby ordain as follows:

**SECTION 1 PURPOSE**

The purpose of this Ordinance is to amend Section 3.20.040 of the Folsom Municipal Code to clarify that real property owners are responsible for payment of municipal services provided to their properties such as, for example, solid waste, water, and sanitary sewer service.

**SECTION 2 AMENDMENT TO CODE**

Section 3.20.040 of the Folsom Municipal Code is hereby amended to read as follows:

**3.20.040 Collection methods.**

A. The owner of real property to which one or more municipal services are rendered shall be responsible and liable for the payment of all municipal service charges, and the city may utilize all procedures available under this Code or state law to collect payment.

B. Charges for municipal services rendered to a parcel of real property shall be billed to the owner of that property as identified by the Sacramento County Clerk Recorder's Office, addressed to the owner at the owner's address shown in the Sacramento County Clerk Recorder's Office.

C. At the request of the real property owner submitted on a form approved by the Finance Director, a copy of the bill for municipal service charges may be sent to the owner's tenants, renters, or the owner's authorized representative, provided that the municipal services account shall remain in the owner's name and the owner shall remain fully responsible and liable for the payment of such municipal service charges as if the bill had been sent to the owner.

D. The property owner shall be fully responsible for payment of all municipal services rendered to the owner's property, and the city shall have no responsibility for, nor any involvement in, the allocation, billing, and collection of these costs by the owner from the owner's tenants, renters, or others.

E. The methods of collection set forth in this Chapter are in addition to any other method permitted or allowed by law and shall not repeal any existing law or ordinance now in effect with respect to collection of delinquent utility payments or service termination and restoration for delinquent accounts. Unpaid charges may become a lien on any property to the extent authorized by law.

**SECTION 3 SCOPE**

Except as set forth in this Ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

**SECTION 4 NO MANDATORY DUTY OF CARE**

This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

**SECTION 5 SEVERABILITY**

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

**SECTION 6 EFFECTIVE DATE**

This Ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This Ordinance was introduced, and the title thereof read at the regular meeting of the City Council on November 9, 2021 and the second reading occurred at the regular meeting of the City Council on December 14, 2021.

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 XX day of XXXX 2021, by the following roll-call vote:

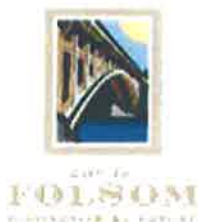
- AYES:** Councilmember(s):
- NOES:** Councilmember(s):
- ABSENT:** Councilmember(s):

**ABSTAIN:** Councilmember(s):

\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK



## Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/9/2021
<b>AGENDA SECTION:</b>	New Business
<b>SUBJECT:</b>	Ordinance No. 1320 – An Ordinance of the City of Folsom Repealing and Replacing the Garbage Collection Ordinance as Set Forth in Chapter 8.32 of the Folsom Municipal Code to Incorporate New State Law Mandates (Introduction and First Reading)
<b>FROM:</b>	Public Works Department

### **RECOMMENDATION / CITY COUNCIL ACTION**

The Public Works Department recommends that the City Council introduce and conduct the first reading of Ordinance No. 1320 - An Ordinance of the City of Folsom Repealing and Replacing the Garbage Collection Ordinance as Set Forth in Chapter 8.32 of the Folsom Municipal Code to Incorporate New State Law Mandates.

### **BACKGROUND / ISSUE**

In 2006, the City Council adopted the most recent update to the Garbage Collection ordinance (Folsom Municipal Code Chapter 8.32) primarily to incorporate program changes that had been established in alignment with state recycling and source reduction mandates and to continue to maintain and operate essential garbage collection service to meet community needs. Since then, several new state mandates have been adopted and the Solid Waste Division (Division) is again proposing changes in response to these mandates.

SB 1383 was signed into California law in 2016 as part of the state's broader effort to reduce greenhouse gas emissions. The California Department of Resources Recycling and Recovery (CalRecycle) finalized the regulations in November 2020 and is working with jurisdictions to ensure waste hauling programs are amended, to divert up to 26 million tons of organic material from landfills annually by 2025 in order to reduce methane emissions and support the state's climate goals.



Complying with the complex framework of SB 1383 requires major alteration to the City's solid waste collection program, necessitating a full repeal and replacement of the current garbage collection ordinance, including renaming the ordinance from "Garbage Collection" to "Waste and Recycling Collection". The new ordinance clearly provides the details of operations (containers, collections, materials, charges), permissions, city responsibilities, waivers, education and enforcement and other relevant topics surrounding the organics, recycling and garbage collection programs in accordance with SB 1383.

The Division has been actively working on planning for the required program changes including a comprehensive rate study and rate increase proposal, securing capacity for organics processing, design of new educational materials, route adjustments to accommodate weekly collection of organic waste, a procurement policy update, and coordination with other departments to ensure compliance. The adoption of an enforceable ordinance is one of the mandates of SB 1383, and this ordinance repeal and replacement is the next essential step of the planned approach and process to enact city-wide SB1383 compliant programs mandated to start in January of 2022.

## **DISCUSSION**

The proposed ordinance repeal and replacement is prepared in accordance with the requirement of SB 1383.

The new ordinance addresses how Folsom will collect garbage, recycling and organics, and also specifies how the City's programs will serve all residents and businesses, to work together to prevent food waste from going into landfills, and to reduce edible food waste and rescue it for the food insecure. The Division is required to track the metrics closely and report them annually to CalRecycle. At present, deficiencies in Folsom's organic waste recycling program and infrastructure have resulted in the city being put under a corrective action plan with CalRecycle pursuant to 14 CCR Section 18996.2.

Due to the significant number of changes included in the proposed new ordinance, the Division has attached both the current version and the revised version of the ordinance rather than a marked-up copy. In addition to the changes for SB 1383, staff completed a comprehensive review of all existing language. The revisions include updates to outdated references and definitions, clarified details for existing programs, and consolidated language that is duplicated in other areas of the Folsom Municipal Code. Below are highlights of the updates specific to SB 1383:

- Section 8.32.045, self-hauler requirements, was added to specify how recycling requirements must be met by anyone who self-hauls waste from premises located within the City. Organic materials must be recycled using one of the methods outlined. In the case of commercial businesses, there are also record keeping requirements.

- Section 8.32.125, commercial containers required, placement, appearance and labeling, was added to outline the requirements of businesses to provide containers with specific labeling for all individuals who may generate waste on their premises.
- Section 8.32.140 (B), charges for collection, was revised to establish the responsible party for compliance with SB 1383 when businesses must share waste services. A lack of clarity regarding who is responsible for compliance has been a barrier that contributed to our current non-compliance status with the existing commercial organics recycling mandate.
- Section 8.32.191, sufficient service required, was revised to include the requirement for both residents and businesses to participate in organics recycling.
- Section 8.32.220, exemption from participation in residential curbside recycling, was revised and renamed “waivers”. The revised language significantly limits the circumstances in which a resident or business will not be required to participate in the recycling and organics services.
- Section 8.32.265, inspections and investigations was added to outline the City’s right to perform compliance inspections and the customer’s obligation to provide any necessary access.
- 8.32.270, enforcement, was revised to add compliance details relating to the implementation and ongoing enforcement of SB 1383. In summary, beginning January 1, 2022, the city will focus on implementing the city-wide food scraps composting program through weekly collections, outreach, education and coaching to compliance, providing educational materials to the residents or businesses describing their obligations under this chapter. The City’s current non-compliance status with the existing commercial organics recycling mandate and the contractual obligation to provide minimally contaminated material to our facilities or face penalty, necessitates enforcement actions to be taken as needed. Enforcement action will be done according to the enforcement response plan, following delivery of educational materials and issuance of notices of violations in the case of contamination in any container, starting in 2022.
- Sections 8.32.310, requirements for commercial edible food generators, and 8.32.320, requirements for edible food recovery organizations and services, were added to facilitate the implementation of an edible food recovery program. Generators and food recovery organizations have specific obligations including contracts and record keeping for food recovery efforts and specifically who must participate and when.

Edible food recovery capacity planning and program will begin with “tier one” by 2022, including supermarkets, grocery stores with less than 10,000 square feet, food service

providers, food distributors, and wholesale food vendors. "Tier two" will begin by 2024, to include restaurants with less than 250 seats or less than 5,000 square feet, hotels with food service and less than 200 rooms, health facilities with food service and less than 100 beds, large venues, large events, and schools with food service.

The new ordinance allows the City of Folsom to comply with SB 1383, establishing a program and process by which the City contributes to the state meeting methane emissions reduction targets, a harmful short-lived climate pollutant. SB 1383 establishes targets to achieve a 50 percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025.

Methane emissions resulting from the decomposition of organic waste in landfills are a significant source of greenhouse gas (GHG) emissions contributing to global climate change. Food waste alone accounts for approximately 17 to 18 percent of total landfill disposal. Increasing food waste prevention, encouraging edible food rescue, and expanding the composting and diversion of organic waste throughout the City, per this ordinance, is how Folsom will contribute to the reduction of methane emissions from California's landfills.

### **FINANCIAL IMPACT**

Program changes required by SB 1383 and outlined in the new ordinance will have a significant impact to the Solid Waste Fund. A comprehensive rate analysis has been completed and a rate increase to mitigate the impacts of SB 1383 is currently being proposed, with a public hearing scheduled for December 14, 2021. Enforcement efforts required by SB 1383 may result in some nominal revenue to the Solid Waste Fund.

### **ENVIRONMENTAL REVIEW**

This action is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15307 and 15308.

### **ATTACHMENTS**

1. Ordinance No. 1320 - Ordinance of the City of Folsom Repealing and Replacing the Garbage Collection Ordinance as Set Forth in Chapter 8.32 of the Folsom Municipal Code to Incorporate New State Law Mandates
2. Current Version of Chapter 8.32 of the Folsom Municipal Code (Passed and Adopted February 14, 2006)

Submitted,



Mark Rackovan, Public Works Director

# Attachment 1

**ORDINANCE NO. 1320**

**AN ORDINANCE OF THE CITY OF FOLSOM  
REPEALING AND REPLACING THE GARBAGE COLLECTION ORDINANCE AS  
SET FORTH IN CHAPTER 8.32 OF THE FOLSOM MUNICIPAL CODE TO  
INCORPORATE NEW STATE LAW MANDATES**

The City Council of the City of Folsom does hereby ordain as follows:

**SECTION 1 PURPOSE**

The purpose of this Ordinance is to repeal and re-enact Chapter 8.32 of the Folsom Municipal Code to conform with new state law requirements pertaining to short lived climate pollutants and the implementation of an organic waste separation program, including but not limited to SB 1383 adopted during the 2016 legislative session and regulations finalized by CalRecycle on November 3, 2020, to take effect January 1, 2022.

**SECTION 2 REPEAL AND RE-ENACTMENT TO CODE**

Chapter 8.32 of the Folsom Municipal Code is hereby repealed and re-enacted to read as follows:

**Chapter 8.32  
WASTE AND RECYCLING COLLECTION**

Sections:

- 8.32.005 Definitions.
- 8.32.010 City responsibility.
- 8.32.020 Permission required.
- 8.32.030 Burning, burying, on-site private disposal prohibited—Compost exception.
- 8.32.040 Private removal requirements.
- 8.32.045 Self-hauler requirements.
- 8.32.050 Placing in containers—Generally.
- 8.32.080 Residential containerization.
- 8.32.090 Residential/commercial prohibited materials.
- 8.32.100 Residential container location and holiday requirements.
- 8.32.101 Service to below-ground containers prohibited.
- 8.32.110 Location requirements.
- 8.32.111 Fees for automated solid waste containers.
- 8.32.115 Commercial business containerization.
- 8.32.120 Container/dumpster enclosure—Business location
- 8.32.125 Container appearance and labeling.
- 8.32.130 Special solid waste service.
- 8.32.135 Collection charges—Established by City council.



- 8.32.140 Charges for collection and compliance administration.
- 8.32.150 Fees and charges—Due date.
- 8.32.160 Charges—Collection authority.
- 8.32.170 Charges—Nonpayment—Violation.
- 8.32.180 Charges—Nonpayment—Discontinuance.
- 8.32.185 Charges—Contamination in containers.
- 8.32.190 Accumulation prohibited.
- 8.32.191 Sufficient service required.
- 8.32.192 Exclusive use of containers.
- 8.32.210 Scavenging of solid waste.
- 8.32.220 Waivers.
- 8.32.230 Contamination of containerized recyclables and organic waste—contamination monitoring.
- 8.32.240 Replacement fee for damaged containers.
- 8.32.250 Bulky Waste Program requirements.
- 8.32.260 Frequency of residential service change requests.
- 8.32.265 Requirements for commercial edible food generators.
- 8.32.270 Requirements for edible food recovery organizations and services.
- 8.32.275 Inspections and investigations.
- 8.32.280 Enforcement.
- 8.32.285 Penalties.
- 8.32.290 Enforcement procedures—Notice to correct.
- 8.32.300 Remedies cumulative.

### **8.32.005 Definitions.**

- A. “Alley” shall mean a passage or way providing a secondary means of vehicular access to abutting lots not intended for general traffic circulation.
- B. “Automated container” shall mean a container owned by the City, made of commercially manufactured plastic, steel, or other appropriate material, designed to be lifted, dumped, and returned by City solid waste collection vehicles. Automated containers may be described as: automated cans, cans, containers, dumpsters, roll-off or compactor containers.
- C. “Biohazardous waste” shall have the same meaning as in California Health and Safety Code Section 117690(b)(1).
- D. “Bulky Waste Program” shall mean a City program designed to provide collection of bulky items that will not fit into a residential container. This may include, but is not limited to, appliances, lumber, and toys. An appointment is required.
- E. “Commercial business” shall mean a firm, partnership, proprietorship, joint-stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility, or a multifamily residential dwelling. A multi-family residential dwelling that consists of fewer than five (5) units is not a Commercial Business for purposes of implementing this ordinance.



- F. “Commercial edible food generator” shall mean and include “tier one commercial edible food generators” and “tier two commercial edible food generators”.
- G. “Community composting” shall mean any activity that composts green material, agricultural material, food material, or vegetative food material, alone or in combination, so long as the total amount of feedstock and compost on-site at any one time does not exceed 100 cubic yards and 750 square feet.
- H. “Compost” shall mean the product resulting from the controlled biological decomposition of organic wastes that are source separated from the municipal solid waste stream, or which are separated at a centralized facility.
- I. “Construction and demolition waste” shall mean used or discarded materials resulting from construction, renovation, remodeling, repair or demolition operations on any pavement, house, commercial building, or other structure and such other materials as may be removed during the normal cleanup process of such construction, renovation, remodeling, repair, or demolition operations.
- J. “Curbside recycling” shall mean the placement of recyclables in a City-supplied container for collection by the City.
- K. “Department” shall mean the City of Folsom Public Works Department.
- L. “Director” shall mean the City of Folsom Public Works Director or his/her designee unless otherwise stated or indicated by context.
- M. “Division” shall mean the Solid Waste Division of the Department.
- N. “Edible food” shall mean food intended for human consumption. For the purposes of this ordinance “edible food” is not solid waste if it is recovered and not discarded. Nothing in this ordinance requires or authorizes the recovery of edible food that does not meet the food safety requirements of the California Retail Food Code.
- O. “Food recovery organization” shall mean an entity that engages in the collection or receipt of edible food from commercial edible food generators and distributes that edible food to the public for food recovery either directly or through other entities, including, but not limited to:
1. A food bank as defined in Section 113783 of the Health and Safety Code;
  2. A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,
  3. A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

P. “Food recovery service” shall mean a person or entity that collects and transports edible food from a commercial edible food generator to a food recovery organization or other entities for food recovery.

Q. “Food service provider” shall mean an entity primarily engaged in providing food services to institutional, governmental, commercial, or industrial locations of others based on contractual arrangements with these types of organizations.

R. “Food waste” shall mean food scraps and trimmings and other putrescible waste that result from food production, preparation, cooking, storage, consumption, or handling. Food waste includes but is not limited to: meat, fish and dairy waste, fruit and vegetable waste and grain waste.

S. “Garbage” shall mean discarded solid materials resulting from residential activities, industrial and commercial operations. Garbage does not include useful commercial or industrial by-products, recyclable materials, organic waste, construction and demolition waste, inert waste, medical waste, hazardous waste, or biohazardous waste.

T. “Green waste” shall mean non-contaminated material composed of organic matter or plant matter which is the result of seasonal variations or landscape and gardening activities. Green waste includes, without limitation, grass clippings, shrubbery, leaves, tree trimmings, branches, flowers, plant stalks, untreated wood, Christmas trees and other plant material. Green waste does not include human waste, animal waste or manure.

U. “Grocery store” shall mean a store primarily engaged in the retail sale of canned food, dry goods, fresh fruits and vegetables, fresh meats, fish, and poultry, and any area that is not separately owned within the store where the food is prepared and served, including a bakery, deli, and meat and seafood departments.

V. “Hazardous waste” shall mean those wastes resulting from products purchased by the general public for use which, because of the quantity, concentration, or physical, chemical or infectious characteristics, may pose a substantial known or potential hazard to human health or the environment when improperly treated, disposed or otherwise managed. Hazardous Waste includes Household Hazardous Waste.

W. “High diversion organic waste processing facility” shall mean a facility that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average mixed waste organic content recovery rate of 50 percent between January 1, 2022 and December 31, 2024, and 75 percent after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5(e) for organic waste received from the “Mixed waste organic collection stream” as defined in 14 CCR Section 17402(a)(11.5).

X. “Household hazardous waste” shall mean those hazardous waste materials discarded, typically in small quantities, by households (as opposed to large quantities disposed by businesses). Typical household hazardous waste includes used motor oil and oil filters, antifreeze and other vehicle fluids, paints and varnish, pesticides, electronic waste and cleaning supplies.

Household Hazardous Waste does not include waste generated in the course of operating a business concern at a residence.

Y. “Illegal dumping” shall mean to throw or place, or direct another person to throw or place, other than in receptacles provided therefor, upon the private land or waters of another person without the permission of the owner, or upon public lands or waters, or upon any public place, any solid waste, rubbish, trash, garbage, debris, recyclable material, organic waste, or hazardous waste.

Z. “Inert waste” shall mean waste materials that do not react in the environment including but not limited to rock, concrete, brick, sand, soil, ceramics, and cured asphalt. “Inert waste” does not include any waste that meets the definition of “designated waste,” as defined in Water Code Section 13173, or “Hazardous Waste”.

AA. “Large event” shall mean an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event.

BB. “Large venue” shall mean a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of this ordinance, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue.

CC. “Medical waste” shall mean waste which is generated or produced as a result of any of the following actions: diagnosis, treatment, immunization, or care of humans or animals, the production or testing of biologicals, sharps waste, waste generated in autopsy, necropsy, or preparation of a body for final disposition such as cremation or interment, research pertaining to any of the above, and waste generated in the cleanup of trauma scenes.

DD. “Multi-family dwelling” shall mean of, from, or pertaining to residential premises with five (5) or more dwelling units. Multi-family dwellings do not include hotels, motels, nursing homes or other congregate-care or institutional facilities, which are considered commercial businesses.

EE. “Organic waste” shall mean solid waste containing material originated from living organisms and their metabolic waste products, including but not limited to food waste, green waste, landscape and pruning waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges.

FF. “Organic waste generator” shall mean a person or entity that is responsible for the initial creation of organic waste.

GG. “Organic waste processing facility” shall mean any facility selected by the City’s collector that is designed, approved by the City, or specifically designated by the City, operated, and legally permitted for the purpose of receiving and processing organic waste.

HH. “Person” shall mean an individual, trust, firm, joint stock company, commercial business concern, partnership, association, limited liability company, corporation, and public entity.

II. “Private driveway” shall mean a private roadway owned by a private person, business, association or other private entity.

JJ. “Premises” shall mean a specific lot or area of real property served by the City or any such lot or area in general. “Premises” includes permanent and transient human dwellings and places of accommodation, commerce, or recreation.

KK. “Prohibited container contaminants” shall mean:

1. Discarded materials placed in the designated recycling container that are not acceptable source separated recyclables for the City’s designated recycling container.
2. Discarded materials placed in the designated organic waste container that are not acceptable source separated organic waste for the City’s designated organic waste container.
3. Discarded materials placed in the garbage container that are acceptable source separated recyclables and/or source separated organic waste.
4. Discarded materials placed in any container in violation of section 8.32.090.
5. Acceptable materials for each container are identified and updated regularly on the Division website or as printed on a City container. They may also be found on printed material including, but not limited to flyers, customer service notices, and container labels.

LL. “Putrescible” shall mean to rot; subject to decomposition by microorganisms.

MM. “Recyclables” shall mean recyclable material including, but not limited to: newspaper, magazines, mixed paper, plastic bottles, cardboard, glass bottles, aluminum and steel cans and other materials published on the Division website, on the container or printed materials as acceptable in designated recycling containers.

NN. “Rendering bin” is a closed leakproof containment for uncontaminated fats, oils and grease from the food preparation process that can be used as a source of material that is free of impurities and can be recycled into products.

OO. “Refuse” shall mean and include any of the following:

1. Garbage, waste, or rubbish.
2. Unused or discarded collections of materials, including but not limited to treated or painted wood, bedding, crockery, tires or construction debris.

PP. "Residential" shall mean any premises in the City, whether or not owner-occupied, designed for people to live in.

QQ. "Rubbish" shall mean non-putrescible solid waste consisting of combustible and non-combustible waste, such as ashes, paper, cardboard, tin cans, yard clippings, wood, glass, bedding, crockery, or litter of any kind.

RR. "SB 1383" shall mean the Short-Lived Climate Pollutants Reduction Strategy known as Senate Bill 1383 which establishes the regulatory requirements for jurisdictions, generators, haulers, solid waste facilities, and other entities to achieve the organic waste disposal reduction targets codified in Section 39730.6 of the Health and Safety Code and Chapter 13.1 of division 30 of the Public Resource Code.

SS. "Self-hauler" shall mean a generator that collects solid waste at their premises or place of business for the purpose of hauling those materials in their own vehicles to a permitted solid waste facility in compliance with the requirements of this chapter.

TT. "Sharps" shall mean any device having acute rigid corners, edges, or protuberances capable of cutting or piercing, including, but not limited to, all of the following:

1. Hypodermic needles, hypodermic needles with syringes, blades, needles with attached tubing, syringes contained with biohazardous waste, acupuncture needles, and root canal files.
2. Broken glass items, such as Pasteur pipettes and blood vials contaminated with biohazardous waste.
3. Any item capable of cutting or piercing that is contaminated with trauma scene waste.
4. Pen needles, intravenous needles, lancets, and other devices that are used to penetrate the skin for the delivery of medications.

UU. "Source separated" means materials, including but not limited to commingled recyclables, that have been separated or kept separate from the mixed solid waste stream, at the point of generation, for the purpose of additional sorting or processing those materials for recycling or reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.



VV. “Solid waste” shall mean all putrescible and non-putrescible solid, semi-solid, and liquid wastes, including garbage, trash, organics, recyclables, refuse, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semi-solid wastes and other discarded waste (whether of solid or semi-solid consistency); provided that such wastes do not contain wastes which must be managed as hazardous wastes, or wastes which contain soluble pollutants in concentrations which exceed applicable water quality objectives, or could cause degradation of waters of the state.

WW. “Tier one commercial edible food generator” shall mean a commercial edible food generator that is one of the following:

1. Supermarkets with gross annual sales of \$2,000,000 or more.
2. Grocery store with a total facility size equal to or greater than 10,000 square feet.
3. Food service provider.
4. Wholesale food vendor.
5. Food Distributor.

XX. “Tier Two commercial edible food generator” shall mean a commercial edible food generator that is one of the following:

1. Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
2. Hotel with an on-site food facility and 200 or more rooms.
3. Health facility with an on-site food facility and 100 or more beds.
4. Large venue.
5. Large event.
6. A state agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
7. A local education agency facility with an on-site food facility.

YY. “Universal waste” shall have the same meaning as in Section 66261.9 of Title 22, California Code of Regulations as may be amended.

ZZ. “Venue facility” shall mean a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport,



racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility.

**8.32.010 City responsibility.**

The City, its duly authorized agents, servants, or employees, shall have the exclusive right to gather, collect, recycle, or dispose of all solid waste within the City.

**8.32.020 Permission required.**

A. No person may collect, gather, recycle, or dispose of solid waste within the City without permission of the City council. (Ord. 1049 § 2 (part), 2006)

B. All residential dwellings and commercial businesses shall subscribe with the City's waste hauling services for garbage and recycling, and the City or a City-approved hauling service for organic waste. Commercial businesses that meet the self-hauler requirements in section 8.32.045 may self-haul recycling and organics in lieu of subscribing with the City for those services.

C. If recyclables and/or organic waste are hauled by another entity, the City may inspect records, pursuant to section 1.09.025 of this Code, to verify that the services are not being provided for a net cost.

**8.32.030 Burning, burying, on-site private disposal prohibited—Compost exception.**

No person shall burn, bury, or otherwise dispose of or process solid waste on any premises in the City except for composting of organic wastes in a compost process as specified in the Division's Regional Recycling Backyard Composting Guide or Commercial Composting and Mulching Operations Conditions for Approval.

**8.32.040 Private removal requirements.**

This chapter shall not be construed as prohibiting the owner or tenant of any premises in the City from carrying away any such solid waste, on an infrequent or occasional basis in order to reduce the amount to be taken away by the City or its duly authorized agents, but no person shall be authorized by this section to carry away such solid waste if such person receives the benefits of the use of any such solid waste for feed for poultry, hogs, or other livestock unless such person receives permission from the Director. All solid waste removal by an owner or tenant of any premises is subject to the self-haul requirements of 8.32.045. This section shall not be construed as relieving any person from paying the regular solid waste fees.

**8.32.045 Self-hauler requirements.**

A. Self-haulers shall source separate all recyclable materials and organic waste generated on-site from other solid waste or shall haul all collected wastes, to a high diversion waste processing facility, which also processes organic waste

B. Self-haulers shall haul their source separated recyclable materials to a facility that recovers those materials.

C. Self-haulers shall haul their source separated organic waste to a solid waste facility, operation, activity, or property that processes or recovers source separated organic waste.

Alternatively, self-haulers may haul their source separated organic waste to a high diversion organic waste processing facility.

D. Self-haulers that are commercial businesses shall keep for a minimum of 5 years a record of the amount of organic waste delivered to each high diversion organic waste processing facility or other solid waste facility, operation, activity, or property that properly processes or recovers organic waste. This record shall be subject to inspection upon request of the City as specified by SB1383, at least every 5 years. The records shall include the following information:

1. Delivery receipts and weight tickets from the entity accepting the waste including the date and identifying information about the facility.
2. The amount of material in cubic yards or tons transported by the generator to each entity.

If the material is transported to an entity that does not have scales on-site or employs scales incapable of weighing the self-hauler's vehicle in a manner that allows it to determine the weight of materials received, the self-hauler is not required to record the weight of material but shall keep a record of the entities that received the organic waste.

#### **8.32.050 Placing in containers—Generally.**

The person responsible for any premises in the City shall gather the solid waste and put it into the appropriate container for that premises.

#### **8.32.080 Residential containerization.**

All garbage, recyclables and organic waste shall be containerized as follows:

- A. Garbage shall be placed in the standard plastic gray garbage containers provided by the City.
- B. Organic waste shall be placed in standard plastic green containers provided by the City or its authorized agent (black containers in service as of January 1, 2022 may continue to be used for organic waste until January 1, 2036).
  1. Green waste shall not exceed four inches in diameter and shall not protrude above the lid of the container. Green waste shall be loosely placed in the container.
  2. Food waste shall be contained in compostable bags.
- C. Recyclables shall be placed loosely (not in bags) in the standard plastic blue container provided by the City.
- D. All items shall be containerized with the lid completely closed for automated container services. Material shall not be packed tightly in the containers and must fall freely when the can is tipped.

F. Items not contained within automated cans will not be collected, except by appointment through the Bulky Waste Program as defined under Section 8.32.250

G. Residential containers shall not exceed ninety-six gallons and shall have a total weight limit of two hundred pounds per container.

**8.32.090 Residential/commercial prohibited materials.**

A. Unless otherwise permitted by written contract with the City, the following materials will not be collected in any City provided container:

1. Dirt, rocks, sod, asphalt, brick, concrete, large metal objects, tile, landscaping bark, furniture;
2. Construction and demolition debris;
3. Appliances, tires, tree stumps;
4. Oversized or excess waste that prevents the lid from closing or material from falling freely from the container during normal service procedures.

B. The following materials will not be collected in any City provided container:

1. Liquids, hot ashes, coal;
2. Flammables;
3. Live ammunition;
4. Household hazardous waste;
5. Hazardous waste.

C. No person shall place in any City container any wearing apparel, bedding or other refuse from homes or other places where highly infectious or contagious diseases have prevailed; any explosive substance, poison, hazardous chemical, offal, or fecal matter.

D. Disposal of medical or biohazardous waste shall be performed through a licensed collection and disposal company, which complies with all applicable laws and regulations, including, but not limited to, California Health and Safety Code Sections 117600 through 118360.

**8.32.100 Residential container location and holiday requirements.**

A. Residences Having Street Frontage Only. Residential containers for garbage, recycling and organic waste shall be placed for collection at the street curb or edge of road right-of-way by 6:00 a.m. on scheduled collection day, holidays included, and removed from the street and screened from public view by 6:00 a.m. of the following day. The wheels of the containers must

be placed in the gutter with the handle facing the residence. Containers must be at least three feet from any obstruction such as automobiles, trailers, motor homes, fences, lampposts, portable basketball hoops, mailboxes, or other automated containers. Containers shall not block pedestrian access.

B. Residences with Alley Access. Residential containers for garbage, recycling and organic waste shall be placed for collection adjacent to the alley property line, with direct access from the alley by 6:00 a.m. on scheduled collection day, holidays included. The base of the container must be placed on a stable, level surface with the handle facing the residence. Containers must be at least three feet from any obstructions such as automobiles, trailers, motor homes, fences, portable basketball hoops, lampposts, mailboxes, or other automated containers.

C. Residences with Private Driveways. Residential containers for garbage, recycling and organic waste shall be placed for collection at the nearest public road right-of-way by 6:00 a.m. on scheduled collection days, holidays included, and removed from the right-of-way and screened from public view by 6:00 a.m. of the following day. The container must be placed on a level surface with the handle facing the shoulder of the road. Containers must be at least three feet from any obstructions such as automobiles, trailers, motor homes, fences, portable basketball hoops, lampposts, mailboxes, or other automated containers. Containers shall not block pedestrian access.

D. Collection trucks may come back for garbage, recycling, and organic waste put out after the truck has passed a residence upon request, subject to payment of an extra pickup service charge.

E. For purposes of this section, “screened” means blocked from public view from the street or public right-of-way with a permanent fence, enclosure, landscaping, or other comparable facility as approved by the Director.

#### **8.32.101 Service to below-ground containers prohibited.**

City personnel shall not service containers stored below the surface of the ground.

#### **8.32.110 Location requirements.**

The City shall not collect solid waste from above the first floor of any premises, nor from the basement of any premises. City shall not collect solid waste when containers are not placed at a position and in a manner that allows for collection.

#### **8.32.111 Fees for automated solid waste containers.**

A. Fee Established. Each dwelling unit to be serviced by City-owned automated container collection shall pay a fee equal to the then cost of providing the containers. The fee shall be adjusted on July 1st of each fiscal year by the Director to reflect the most recent cost per container actually purchased by the City, plus the cost of labor and equipment necessary to deliver the containers to the new dwelling.

B. Ownership. The City shall retain ownership of all City provided containers. Persons owning or renting property served by such containers are responsible for the security of the

containers. In the event of fire, theft, or other damage or disappearance of a container from the property, a replacement container shall be obtained from the City upon payment of the established fees. Persons owning or renting property served by such containers shall, upon vacating the premises, leave the primary containers for the next occupant in a secure location upon the premises. Persons who have ordered an extra container shall, upon vacating the premises, contact the City to have the extra container removed. Persons owning or renting property served by such containers are responsible for the appearance and cleanliness of the container.

C. Replacement Containers. A replacement container may be obtained upon payment of the fee established by City Council. Replacement of a container no longer usable due to normal wear shall not be subject to a replacement fee.

**8.32.115 Commercial business containerization.**

All garbage, recyclables and organic waste shall be containerized as follows:

- A. Garbage shall be placed in the standard gray garbage containers provided by the City.
- B. Organic waste shall be placed in standard green or brown containers (or containers with a green, yellow, or brown lid) provided by the City or a City approved hauler.
- C. Recyclables shall be placed in the standard blue container or containers with a blue lid provided by the City (white containers in service as of January 1, 2022 may continue to be used for recyclables until January 1, 2036).

**8.32.120 Container/dumpster enclosure—Business location.**

- A. Solid waste containers/dumpster enclosures at places of business shall be located in such place as shall be convenient to the Division and must be approved by the Director. City-approved solid waste enclosures are to be used for solid waste removal containers only unless approved in advance by the Director. Storage of other equipment or material is prohibited. Enclosure maintenance is the responsibility of the landlord, property owner, property manager, or management company. Enclosures shall be maintained in working order and floors shall be free of debris. The property owner shall be liable for damage to or spills from any other equipment stored in the solid waste enclosure.
- B. All items shall be containerized with the lid completely closed for automated container services. Material shall not be packed tightly in the containers and must fall freely when the container is tipped.
- C. Items not contained within automated containers will not be collected, except by appointment.
- D. Commercial containers shall have a not to exceed weight limit of 1,800 pounds per container.



E. New commercial business properties shall provide enclosure space for garbage, recyclable, and organic waste containers, including rendering bins as applicable, for the use of the property. Should the use of an existing commercial business property change to require a rendering bin, the business served by the rendering bin shall be responsible for ensuring that the rendering bin is stored in a secure location that does not impede waste collection services.

### **8.32.125 Commercial Containers required, placement, appearance and labeling.**

Customers that are commercial businesses shall:

A. Supply and allow access to an adequate number, size and location of containers with sufficient labels and colors (conforming with requirements in Section 8.32.115) for employees, contractors, tenants, and customers, consistent with the collection services or, if self-hauling, per the commercial businesses' instructions to support compliance with its self-haul program, in accordance with Section 8.32.045.

B. Excluding multi-family dwellings, provide containers for the collection of source separated organic waste materials and source separated recyclable materials in all indoor and outdoor areas where disposal containers for materials generated by that business are provided for customers. Such containers do not need to be provided in restrooms. If a commercial business does not generate any of the materials that would be collected in one type of container, then the business does not have to provide that particular container in areas where disposal containers are provided for customers. The containers provided by the business shall have:

1. A body or lid that conforms to the color requirements specified in Section 8.32.115.
2. Container labels that include language or graphic images, or both, indicating the primary material accepted and the primary materials prohibited in that container, or containers with imprinted text or graphic images that indicate the primary materials accepted and primary materials prohibited in the container.
3. Notwithstanding subsection (B)(1), a commercial business is not required to replace functional containers, including containers purchased prior to January 1, 2022, that do not comply with the requirements of subsection (B)(1) before the end of the useful life of those containers, or before January 1, 2036, whichever occurs first.

### **8.32.130 Special solid waste service.**

A. Container Service. The tenant, occupant, owner, or lessee of any premises in the City may temporarily obtain additional City automated container(s) for the purpose of disposing of garbage or source separated solid waste. The person requesting this special trash service is responsible to pay for the service in accordance with a fee set by the City council. The City will be responsible for delivery and pickup of the automated container to and from the premises of the person requesting service.



B. **Container/Roll-Off Service.** The tenant, occupant, owner, or lessee of any premises in the City may temporarily obtain a City dumpster or roll-off container, in addition to standard services, for the purpose of disposing of garbage or source separated solid waste. The person requesting this special trash service is responsible to pay for the service in accordance with a fee set by the City council. The City will be responsible for delivery and pickup of the dumpster or roll-off container to and from the premises of the person requesting service.

C. **Collection of Household Hazardous Waste (HHW).** The tenant, occupant, owner or lessee of any residential premises in the City may request special collection of household hazardous waste through appointment with the Division. Commercial businesses may request special collection of universal wastes through appointment with the Division.

D. **Disposal of Medical and Biohazardous Waste.** The tenant, occupant, owner, or lessee of any premises in the City shall not dispose of any medical or biohazardous waste in a City-owned collection container. Disposal of medical or biohazardous waste shall be performed through a licensed collection and disposal company, which complies with all applicable laws and regulations, including, but not limited to, California Health and Safety Code Sections 117600 through 118360.

**8.32.135 Collection charges—Established by City council.**

All charges for solid waste collection shall be established or modified by resolution of the City council. The Director shall, with the approval of the City Manager, recommend changes in the collection charges when appropriate.

**8.32.140 Charges for collection and compliance administration.**

A. **Residential.**

1. A property owner of each and every dwelling, house, or residence shall be responsible for paying to the City, a fixed minimum solid waste fee based upon current established solid waste rates which shall be set by the City council. Such fee, based upon service of one collection per week for garbage and organic waste, and one collection every other week for recyclables, applies and is payable without consideration of whether there is any garbage, recyclables, or organic waste to remove from the premises.
2. Residential solid waste service may be discontinued upon written request for a period of no less than two months when a dwelling, house, or residence will be unoccupied. Municipal service charges may be discontinued pursuant to section 3.20.020 of this code.
3. For collection of additional containers beyond those covered by the fixed minimum charges established in this chapter, the collection charge shall be set by resolution of the City council for each additional garbage, recyclable, or organic waste container.

4. An additional or special pickup may be requested beyond the minimum service required by this chapter. Each such additional or special pickup shall be subject to a fixed fee. The fixed fee for additional or special pickups shall be set by resolution of the City council.

**B. Commercial.**

1. A property owner of each and every commercial business shall be responsible for paying to the City, a fixed minimum charge as set forth by the City council as a solid waste fee. Such fixed minimum charge is based upon service of one collection per week, without consideration of whether there is any solid waste to remove from the premises.

A landlord, property owner, property manager, or management company with multiple tenants who must share a commercial container shall be responsible for the solid waste utility bill of the tenants and compliance with SB1383.

2. Commercial Container, Roll-Off, and Additional Services. The Director may approve the placing of solid waste in containers other than automated cans such as roll-off containers. The fixed fee and additional service charges will be set by resolution of the City council. Such charge shall include all costs to the City, including, but not limited to, labor, equipment operation, maintenance and depreciation, administrative overhead, recycling, landfill closure and landfill operation costs. Standard commercial charges for commercial containers and roll-off containers may be established by the Director subject to the approval of the City council.
3. An additional or special pickup may be requested beyond the minimum service required by this chapter. Each such additional or special pickup shall be subject to a fixed fee. The fixed fee for additional or special pickups shall be set by resolution of the City council.
4. Commercial customers are also charged a monthly recycling compliance fee, as established by the City council, for the administration of state mandated recycling programs. The monthly recycling compliance fee is waived if the commercial customer subscribes to City recycling collection service.

**C. Adjustment of Bills for Billing Error.**

1. Where the City overcharges or undercharges a customer's solid waste bill as the result of a billing error, the City may render an adjusted bill for the amount of the undercharge, without interest, and shall issue a refund or credit to the customer for the amount of the overcharge, without interest, computed back to the date that the City determines the billing error commenced, except that the period of adjustment shall not exceed one year for a refund and six months for an undercharge.

**8.32.150 Fees and charges—Due date.**

Solid waste service fees and charges are due and payable as described in section 3.20.070 of this code.

**8.32.160 Charges—Collection authority.**

The City finance department shall collect all charges and fees with the assistance of the City attorney as necessary or appropriate.

**8.32.170 Charges—Nonpayment—Violation.**

The nonpayment by any person of the solid waste fee after notice given by the City finance department by bill rendered to such person, or left on the premises, is a violation of this chapter.

**8.32.180 Charges—Nonpayment—Discontinuance.**

The City shall have the right in addition to any other remedies to discontinue solid waste service for nonpayment of solid waste fees or charges.

**8.32.185 Charges—Contamination in containers.**

The City shall establish fees or charges for contamination found in containers pursuant to Section 8.32.230. Fees or charges shall be established by resolution of the City council.

**8.32.190 Accumulation prohibited.**

No person shall permit solid waste to accumulate upon the premises owned, occupied or managed by such person.

**8.32.191 Sufficient service required.**

A. The person responsible for any premises or commercial business in the City shall accept solid waste collection service sufficient to remove garbage and organic waste generated by or accumulating weekly from the premises and recyclables generated by or accumulating every other week from the premises. The Director may order additional service for any premises or commercial business where the Department determines necessary, at the customer's expense. If additional service is needed, a customer may use additional containers or select a larger-capacity container from the container choices available from the Department. Commercial-route customers may also request container collection more frequently than once a week.

B. All Residential customers shall:

1. Subscribe to the City's organic waste collection services for all organic waste generated. The City shall have the right to review the number and size of a customer's containers to evaluate adequacy of capacity provided for each type of collection service for proper separation and containment of materials; and, customers shall adjust the number or size of containers for collection services as requested by the City. Generators may additionally manage their organic waste by preventing or reducing their organic waste (source reduction), managing organic waste on site (composting), and/or using a community composting site.

2. Participate in the City's organic waste collection services by placing designated materials in designated containers.
3. Customers shall not place prohibited container contaminants in collection containers.

C. All customers that are commercial businesses shall:

1. Subscribe to the City's collection services and comply with requirements of those services. The City shall have the right to review the number and size of a customer's containers and frequency of collection to evaluate adequacy of capacity provided for each type of collection service; for proper separation and containment of materials; and commercial businesses shall adjust their service level for their collection services as requested by the City.
2. Participate in the City's organic waste collection service(s) by placing designated materials in designated containers.
3. Customers shall not place prohibited container contaminants in collection containers.
4. If a commercial business wants to self-haul recycling or organic waste, it must meet the self-hauler requirements in Section 8.32.045 of this ordinance.
5. Nothing in this Section prohibits a customer from preventing or reducing waste generation (source reduction), managing organic waste on site (composting), or using a community composting site.

**8.32.192 Exclusive use of containers.**

A. It is unlawful for any person to dump or place any material into or to utilize any solid waste container, bin, or dumpster without consent of the property owner or tenant in charge of the property.

B. It is unlawful for any person to enter into a solid waste container, whether or not a notice has been placed on such container.

**8.32.210 Scavenging of solid waste.**

No person shall remove solid waste from residential containers or commercial containers that are designated for collection by the City or its authorized agent.

**8.32.220 Waivers.**

A. Residential. In exceptional circumstances, a waiver may be granted to individual(s) from participating in residential curbside recycling and/or organics recycling, upon approval from the Director in his/her sole discretion. The Director may grant one or more of the following types of waivers to a residential generator of solid waste:

1. **Reasonable Accommodation.** The Director may waive a property owner's obligation to comply with the requirements of Section 8.32.191(B) if the property owner provides documentation, or the City has evidence from staff, or any medical professional, demonstrating that compliance with this Chapter would act as a barrier to fair housing opportunities or health-related reasons prevent individual(s) from complying.
2. **Physical Space Waiver.** The Director may waive the obligation to comply with the requirements of Section 8.32.191(B) if the property owner provides documentation, or the City has evidence from staff, licensed architect, or licensed engineer, demonstrating that the premises contain severe space constraints which prevent the placement of a recycling and/or organic container at the household.

B. **Commercial.** In exceptional circumstances, a waiver may be granted to a commercial business from participating in recycling and/or organics recycling, upon approval from the Director in his/her sole discretion. The Director may grant one or more of the following types of waivers to a commercial business that is a generator of solid waste:

1. **De Minimis Waiver:** The Director may waive a commercial business' obligation to comply with some or all of the organic waste requirements of this chapter if the commercial business provides documentation or the City has evidence demonstrating that:
  - a. The commercial business' total solid waste collection service is two cubic yards or more per week and organic waste subject to collection in the designated recycling container or designated organic waste container comprises less than 20 gallons per week per applicable container of the business' total waste; or
  - b. The commercial business' total solid waste collection service is less than two cubic yards per week and organic waste subject to collection in the designated recycling container or the designated organic waste container comprises less than 10 gallons per week per applicable container of the business' total waste.
  - c. Any commercial business granted a de minimis waiver shall notify the City if circumstances change such that the organic waste generated exceeds the threshold required for the waiver, in which case the waiver will be rescinded.
  - d. Any commercial business granted a de minimis waiver shall provide to the City written verification of eligibility for the de minimis waiver every 5 years.
2. **Physical Space Waiver:** The Director may waive a commercial business' obligations to comply with some or all of the recyclable materials and/or organic waste collection service requirements if the City has evidence from its own staff, a City approved hauler, licensed architect, or licensed engineer demonstrating that



the premises contain severe space constraints which prevent the placement of the collection containers required for compliance with this chapter.

3. Waivers will not be granted for any commercial business that sells or produces food.
- C. Any customer requesting a waiver shall make the request in writing on an application provided by the Division.
  - D. Waivers are conditioned upon and subject to: (1) the requesting party continuing to reside at the location specified in the application; and (2) the circumstances justifying the waiver remaining unchanged. Customers who are granted a waiver must notify the Director, in writing, of any change in the circumstances supporting the grant of waiver within thirty days of such change in circumstances.
  - E. Waivers may be revoked at any time at the discretion of the Director.

**8.32.230 Contamination of containerized recyclables and organic waste—Contamination monitoring.**

- A. No person shall place nonrecyclable materials into automated containers, dumpsters, or roll-off containers that are designated for the collection of recyclables or organic waste.
- B. To the extent practical through education, training, inspection, and/or other measures, commercial businesses, shall prohibit employees from placing materials in a container not designated for those materials per the City's collection service or, if self-hauling, per the commercial business's instructions to support its compliance with its self-haul program, in accordance with Section 8.32.045.
- C. Commercial businesses shall periodically inspect organic waste, recycling, and garbage containers for contamination and inform employees and agents, including but not limited to custodial vendors if containers are contaminated and of the requirements to keep contaminants out of those containers.
- D. Commercial businesses shall annually provide information to employees, contractors, tenants, and customers about organic waste recovery requirements and about proper sorting of source separated organic waste and source separated recyclable materials.
- E. Commercial businesses shall provide education information to new tenants before or within fourteen (14) days of occupation of the premises. The education information provided shall describe requirements to keep source separated organic waste and source separated recyclable materials separate from garbage and the location of containers and the rules governing their use at each property.
- F. Commercial businesses shall provide or arrange access for the City or its representative to their properties during all inspections conducted in accordance with Section 8.32.270 to confirm compliance with the requirements of this ordinance.



G. Commercial businesses shall accommodate and cooperate with the collector's remote monitoring program for inspection of the contents of containers for prohibited container contaminants, to evaluate generator's compliance.

**8.32.240 Replacement fee for damaged containers.**

The Director shall have the authority to assess the cost for the replacement of any containers that have been damaged or destroyed due to the customer's negligence or misuse.

**8.32.250 Bulky Waste Program requirements.**

Any and all materials deposited curbside for the purposes of participating in the Bulky Waste Program must meet the following criteria:

- A. All pickups must be secured by an appointment.
- B. All piles must be no more than five cubic yards in size (seven feet by six feet by three feet).
- C. All materials must be placed curbside, no earlier than one day prior to the scheduled pick-up, and by 6:00 a.m. on the scheduled collection date.
- D. Material must be placed at the edge of the street, not within the gutter area, not on a sidewalk, or on private property.
- E. The Bulky Waste Program will only accept materials that consist of:
  - 1. Green waste;
  - 2. Lumber/wood;
  - 3. Furniture/mattresses;
  - 4. Lawn mowers (remove gas and oil);
  - 5. Barbeques (remove propane tanks);
  - 6. Metals;
  - 7. Large appliances;
  - 8. Tires.

Any materials placed curbside that do not meet the above requirements shall be considered illegal dumping and any person who commits such act(s) shall be subject to the penalties set forth in Folsom Municipal Code Section 8.34.040.

**8.32.260 Frequency of residential service change requests.**

Residents will be allowed two service change requests after receiving the residential garbage, recycling, and organic waste cans at no charge for one year from implementation of the City's organics recycling program applicable to all categories of service. New residents will be allowed one service change request after receiving initial residential garbage, recycling and organic waste cans at no charge for one year from the start date of their utility account applicable to all categories of service. Additional service change requests will be charged an administrative fee as set by resolution of the City council.

The categories of service change include:

- A. Changing the size and number of garbage containers.
- B. Changing the size and number of recycling containers.
- C. Changing the size and number of organic waste containers.

**8.32.265 Requirements for Commercial Edible Food Generators.**

- A. Tier One commercial edible food generators shall comply with the requirements of this section commencing on January 1, 2022, and Tier Two commercial edible food generators shall comply commencing on January 1, 2024 or sooner.
- B. Large venue or large event operators not providing food services, but allowing for food to be provided by others, shall require food facilities operating at the large venue or large event to comply with the requirements of this section, commencing on January 1, 2024 or sooner.
- C. Commercial Edible Food Generators shall comply with the following requirements:
  - 1. Arrange to recover the maximum amount of edible food that would otherwise be disposed.
  - 2. Contract with or enter into a written agreement with food recovery organizations or food recovery services for: (i) the collection of edible food for food recovery; or, (ii) acceptance of the edible food that the commercial edible food generator self-hauls to the food recovery organization for food recovery.
  - 3. Shall not intentionally spoil edible food that is capable of being recovered by a food recovery organization or a food recovery service.
  - 4. Allow the City's designated enforcement entity or designated third party enforcement entity to access the premises and review records pursuant to 14 CCR Section 18991.4.
  - 5. Keep records that include the following information:

- a. A list of each food recovery service or organization that collects or receives its edible food pursuant to a contract or written agreement established under 14 CCR Section 18991.3(b).
- b. A copy of all contracts or written agreements established under 14 CCR Section 18991.3(b).
- c. A record of the following information for each of those food recovery services or food recovery organizations:
  - i. The name, address and contact information of the food recovery service or food recovery organization.
  - ii. The types of food that will be collected by or self-hauled to the food recovery service or food recovery organization.
  - iii. The established frequency that food will be collected or self-hauled.
  - iv. The quantity of food, measured in pounds recovered per month, collected or self-hauled to a food recovery service or food recovery organization for food recovery.

D. Nothing in this chapter shall be construed to limit or conflict with the protections provided by the California Good Samaritan Food Donation Act of 2017, the Federal Good Samaritan Act, or share table and school food donation guidance pursuant to Senate Bill 557 of 2017.

**8.32.270 Requirements for Edible Food Recovery Organizations and Services.**

A. Food recovery services collecting or receiving edible food directly from commercial edible food generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records:

1. The name, address, and contact information for each commercial edible food generator from which the service collects edible food.
2. The quantity in pounds of edible food collected from each commercial edible food generator per month.
3. The quantity in pounds of edible food transported to each food recovery organization per month.
4. The name, address, and contact information for each food recovery organization that the food recovery service transports edible food to for food recovery.

B. Food recovery organizations collecting or receiving edible food directly from commercial edible food generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records:

1. The name, address, and contact information for each commercial edible food generator from which the organization receives edible food.
2. The quantity in pounds of edible food received from each commercial edible food generator per month.
3. The name, address, and contact information for each food recovery service that the organization receives edible food from for food recovery.

C. Food recovery organizations and food recovery services that have their primary address physically located in the City and contract with or have written agreements with one or more commercial edible food generators pursuant to 14 CCR Section 18991.3(b) shall report to the City the total pounds of edible food recovered in the previous calendar year from the Tier One and Tier Two commercial edible food generators they have established a contract or written agreement with pursuant to 14 CCR Section 18991.3(b) no later than July 1 annually.

D. In order to support edible food recovery capacity planning assessments or other studies conducted by the County, City, special district that provides solid waste collection services, or its designated entity, food recovery services and food recovery organizations operating in the City shall provide information and consultation to the City, upon request, regarding existing, or proposed new or expanded, food recovery capacity that could be accessed by the City and its commercial edible food generators. A food recovery service or food recovery organization contacted by the City shall respond to such request for information within 60 days unless a shorter timeframe is otherwise specified by the City.

### **8.32.275 Inspections and Investigations**

A. The City's representatives are authorized to conduct inspections and investigations, at random or otherwise, of any collection container, collection vehicle loads, or transfer, processing, or disposal facility for materials collected from customers, or source separated materials, to confirm compliance with this chapter by organic waste generators, commercial businesses, property owners, commercial edible food generators, haulers, self-haulers, food recovery services, and food recovery organizations, subject to applicable laws.

1. This Section does not allow the City to enter the interior of a private residential property for inspection.
2. For the purposes of inspecting commercial business containers for compliance with this chapter, the City may conduct container inspections for prohibited container contaminants using remote monitoring, which may involve installation of remote monitoring equipment on or in any collection container. Commercial businesses shall accommodate and cooperate with the remote monitoring.

B. Any regulated entity shall provide or arrange for access during all inspections (with the exception of residential property interiors) and shall cooperate with the City's representative during such inspections and investigations. Such inspections and investigations may include confirmation of proper placement of materials in containers, edible food recovery activities, records, or any other requirement of this chapter.

C. Failure to provide or arrange for: (i) access to an entity's premises; or (ii) access to records for any inspection or investigation is a violation of this section.

### **8.32.280 Enforcement.**

A. This chapter shall be enforced pursuant to the provisions of Chapters 1.08 to 1.10 of the Folsom Municipal Code and any other enforcement mechanism available to the City under the Folsom Municipal Code and/or applicable law.

B. Unless otherwise expressly provided in this chapter, the Director shall enforce the provisions of this chapter.

C. Compliance Deadline Extension Considerations. The City may extend the compliance deadlines set forth in a Notice of Violation issued in accordance with Section 8.32.290 if it finds that there are extenuating circumstances beyond the control of the respondent that make compliance within the deadlines impracticable, including the following:

1. Acts of God such as earthquakes, wildfires, flooding, and other emergencies or natural disasters;
2. Delays not related to fault of the respondent, in obtaining discretionary permits or other government agency approvals; or,
3. Deficiencies in organic waste recycling infrastructure or edible food recovery capacity and the City is under a corrective action plan with CalRecycle pursuant to 14 CCR Section 18996.2 due to those deficiencies.

D. Education Period for Residential and Multi-Family. Beginning January 1, 2022, and through December 31, 2023, if the City determines that a residence or multi-family dwelling is not in compliance with this chapter, it shall provide educational materials to the entity describing its obligations under this chapter and a notice that compliance is required, and that violations may be subject to administrative civil penalties. Except for multi-family dwellings, there will be no education period for commercial businesses.

E. Civil Penalties for Non-Compliance. If the City determines that an organic waste generator, self-hauler, hauler, Tier one or Tier two commercial edible food generator, food recovery organization, food recovery service, or other entity is not in compliance with this chapter, it shall document the noncompliance or violation, issue a notice of violation, and take enforcement action as needed.

**8.32.285 Penalties.**

A. Unless otherwise expressly provided in this chapter, a violation of this chapter shall be an administrative violation as defined in Section 1.08.020 of this code. In addition to enforcement by any procedure set forth in Chapters 1.08 to 1.10, except as provided in this section, any violation of this chapter shall be punishable as an infraction and shall be punishable by:

1. For a first violation, the amount of the base penalty shall be \$50-\$100 per violation.
2. For a second violation, the amount of the base penalty shall be \$100-\$200 per violation.
3. For a third violation, the amount of the base penalty shall be \$250-\$500 per violation.
4. Subsequent violations of this chapter shall be subject to the range of monetary sanctions set forth in Section 1.09.012(A)(5) and may be imposed on a per day basis for each violation.

B. Each and every day during which a violation of this chapter continues, except in cases in which a given time has been allowed for corrective action to be taken, shall be a separate and distinct offense.

C. Violations of Section 8.32.090(B), (C), and (D); 8.32.190, and 8.32.210 shall be a misdemeanor, which shall be punishable by a fine not to exceed one thousand dollars, or by imprisonment in the county jail for not more than six months, or by both such fine and imprisonment.

D. Each of the sanctions for administrative violations identified in Chapter 1.09 of this code shall be available for enforcement of the provisions of this chapter.

**8.32.290 Enforcement procedures—Notice to correct.**

A. Prior to the suspension, revocation, or denial of any permit, or the assessment of any fee, penalty, or charge, or the commencement of any other enforcement action pursuant to this chapter, the enforcement authority may pursue the procedures set forth in Chapter 1.09 of this code. The rights to judicial review set forth in Sections 1.09.050 through 1.09.059 of this code shall apply.

B. A notice to correct shall not be required to commence the administrative hearing procedures set forth in Chapters 1.08 through 1.10 of this code. Pursuant to Section 1.09.024(A) of this code, a notice of administrative violation shall be served in accordance with the provisions of Section 1.09.027 of this code.

**8.32.300 Remedies cumulative.**

The remedies set forth in this chapter are cumulative to any other remedy available to the City. Pursuit of one remedy shall not preclude any other remedy, and nothing contained in this chapter



shall limit or be deemed to prevent the City from pursuing any other remedy available to the City under the City's code or any other applicable law.

### **SECTION 3 SCOPE**

Except as set forth in this ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

### **SECTION 4 NO MANDATORY DUTY OF CARE**

This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

### **SECTION 5 SEVERABILITY**

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

### **SECTION 6 EFFECTIVE DATE**

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on November 9, 2021, and the second reading occurred at the regular meeting of the City Council on December 14, 2021.

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 \_\_\_\_ day of \_\_\_\_\_, 2021 by the following roll-call vote:

AYES: Councilmember(s):

NOES: Council Member(s):

ABSENT: Council Member(s):

ABSTAIN: Council Member(s):

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Michael D. Kozlowski, MAYOR

ATTEST:

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Christa Freemantle, CITY CLERK

## Attachment 2

**ORDINANCE NO. 1049****AN ORDINANCE OF THE CITY OF FOLSOM REPEALING AND REPLACING  
TITLE 8, CHAPTER 8.32 OF THE FOLSOM MUNICIPAL CODE CONCERNING  
GARBAGE COLLECTION**

THE CITY COUNCIL OF THE CITY OF FOLSOM DOES ORDAIN AS FOLLOWS:

**SECTION 1 PURPOSE**

The purpose of this ordinance is to repeal and replace Chapter 8.32 of Title 8, of the Folsom Municipal Code (the "code") pertaining to Garbage Collection. Chapter 8.32 will be amended to align the code requirements with current and future services to be provided by the Utilities Department.

**SECTION 2**

Chapter 8.32 of the Folsom Municipal Code is repealed and replaced to read as follows:

## Chapter 8.32

**GARBAGE COLLECTION**

## Sections:

8.32.005	Definitions.
8.32.010	City responsibility.
8.32.020	Permission required.
8.32.030	Burning, burying, on-site private disposal prohibited; Compost Exception.
8.32.040	Private removal requirements.
8.32.050	Placing in containers-Generally.
8.32.070	Department--Removal intervals.
8.32.080	Residential containerization.
8.32.090	Residential/Commercial prohibited materials.
8.32.100	Residential receptacle location and holiday requirements.
8.32.101	Service to below-ground containers prohibited.
8.32.110	Location requirements.
8.32.111	Automated solid waste containers
8.32.120	Container/Dumpster Enclosure – Business Location
8.32.130	Special solid waste service.
8.32.135	Collection charges--Established by City Council
8.32.140	Charges for Collection
8.32.150	Fees and Charges--Due date.
8.32.160	Charges--Collection authority.
8.32.170	Charges--Nonpayment--Violation.
8.32.180	Charges--Nonpayment--Discontinuance.
8.32.190	Accumulation prohibited.
8.32.191	Sufficient Service Required

- 8.32.192 Exclusive use of containers.
- 8.32.210 Scavenging of recyclable materials.
- 8.32.220 Exception from participation in Residential Curbside Recycling
- 8.32.230 Contamination of containerized recyclables & green waste.
- 8.32.240 Replacement fee for damaged containers
- 8.32.250 Neighborhood Cleanup requirements.
- 8.32.260 Frequency of Residential Service Change Requests
- 8.32.270 Enforcement.
- 8.32.280 Penalties.
- 8.32.290 Enforcement procedures, notice to correct.
- 8.32.300 Remedies Cumulative.

8.32.005 Definitions.

A. **“Alley Ways”** Shall mean a recorded easement for public access near a residential property or between residential properties.

B. **“Biohazardous Waste”** Shall mean laboratory waste including human or animal specimen cultures from medical and pathology laboratories. Cultures and stock of infectious agents from research and industrial laboratories. Waste from the production of bacteria, viruses, spores, discarded live and attenuated vaccines used in human health care or research, discarded animal vaccines. Human or animal surgery specimens or tissues, which may contain infectious agents known to be contagious to humans. Waste containing discarded materials contaminated with excretion exudates or secretions from humans that are required to be isolated by infection control staff the attending physician or local health officer to protect others from highly communicable diseases.

C. **“Container”** Shall mean commercially manufactured plastic or steel solid waste containers owned by the City designed to be lifted, dumped and returned by City solid waste packers. Containers may be described as: automated carts, bins, commercial containers, drop box, roll-off or compactor containers.

D. **“Curbside Recycling”** Shall mean the placement of recyclables in a city supplied cart for collection by the city.

E. **“Department”** Shall mean the City of Folsom, Utilities Department.

F. **“Director”** Shall mean the City of Folsom Director of Utilities or his/her designee unless otherwise stated or indicated by context.

G. **“Division”** Shall mean the Utilities Department, Solid Waste Division.

H. **“Garbage”** Shall mean all putrescible animal and vegetable waste resulting from packaging, storing, handling, preparation, cooking and consumption of food and all other materials not defined as recyclables or yard waste. Garbage to be removed from places of business shall consist of garbage as above defined and packing boxes, crates and packing materials.

I. **“Hazardous Waste”** Shall mean those wastes resulting from products purchased by the general public for use which, because of the quantity, concentration, or physical, chemical or infectious characteristics, may pose a substantial known or potential hazard to human health or the environment when improperly treated, disposed or otherwise managed. It shall be unlawful for any person to deposit for collection in any receptacle(s) provided pursuant to this Chapter any item of "hazardous waste" as defined by an applicable federal, state or local law.

J. **“Household Hazardous Waste”** Shall mean those hazardous waste materials discarded, typically in small quantities, by households (as opposed to large quantities disposed by business), Typical household hazardous waste includes used motor oil and oil filters, antifreeze and other vehicle fluids, paints and varnish, pesticides, electronic waste and cleaning supplies.

K. **“Illegal Dumping”** Shall mean to throw or place, or direct another person, to throw or place, other than in receptacles provided therefore, upon the private land or waters of another person, without the permission of the owner, or upon public lands or waters, or upon any public place any rubbish, trash, garbage, debris, or recyclable material.

L. **“Inerts”** Shall mean waste materials that do not react in the environment.

M. **“Medical Waste”** Shall mean waste which is generated or produced as a result of any of the following actions: diagnosis, treatment, or immunization of humans or animals. Research pertaining to the above. The production or testing of biologicals and sharps waste.

N. **“Neighborhood Clean-Up”** Shall mean a city program designed to provide clean-up of bulky items that will not fit into a residential container. This may include appliances, lumber and toys. An appointment is required.

O. **“Person”** Shall mean an individual, trust, firm, joint stock company, business concern, partnership, association, limited liability company, and corporation, including, but not limited to a government corporation.

P. **“Private Driveways”** Shall mean a private roadway owned by a private person or business.

Q. **“Premises”** Shall mean a specific lot or area of real property served by the City or any such lot or area in general. "Premises" includes permanent and transient human dwellings and places of accommodation, commerce or recreation.

R. **“Premises with Multi-unit Dwellings”** Shall mean an area of one or more premises operating in whole or part under unified management or ownership, with housing facilities for more than a single-family residence. Such facilities include duplex or multiplex dwellings, apartments, condominiums, and trailer parks. Distinguished from this definition for purposes of requirements affecting premises with multi-unit dwellings are hotels, motels, hospitals, nursing homes or other congregate-care or institutional facilities, which are generally served as a commercial-service account.

S. **“Putrescible”** Shall mean to rot, subject to decomposition by microorganisms.



T. **“Recyclables”** Shall mean recyclable material including, but not limited to: newspaper, magazines, mixed paper, plastic bottles, cardboard, glass bottles, aluminum and steel cans and other materials not defined as garbage.

U. **“Sharps”** Shall mean any device having acute rigid corners, edges, or protuberances capable of cutting or piercing, including, but not limited to, all of the following:

- a. Hypodermic needles, hypodermic needles with syringes, blades, needles with attached tubing, syringes contained with biohazardous waste, acupuncture needles, and root canal files.
- b. Broken glass items, such as Pasteur pipettes and blood vials contaminated with biohazardous waste.
- c. Any item capable of cutting or piercing that is contaminated with trauma scene waste.

V. **“Solid Waste”** Shall mean nonhazardous, noninfectious waste materials including garbage, yard waste, and recyclable material.

W. **“Utilities Director”** Shall mean the City of Folsom Director of Utilities or his/her designee.

X. **“Yard waste”** or **“Green Waste”** Shall mean materials consist of trimmings from lawns, shrubs, plants, and foliage from trees and gardens.

8.32.010 City responsibility.

The city, its duly authorized agent, servants, or employees, shall have the exclusive right to gather, collect, recycle or dispose of solid waste within the city.

8.32.020 Permission required.

No person may collect, gather, recycle or dispose of solid waste within the city without permission of the City Council.

8.32.030 Burning, Burying, On-site Private Disposal Prohibited; Compost Exception.

No person shall burn, bury, or otherwise dispose of or process solid waste on any premises in the City except for composting of garden wastes in a compost process, approved by the Utilities Director.

8.32.040 Private removal requirements.

This chapter shall not be construed as prohibiting the owner or tenant of any premises in the city from carrying away any such solid waste, on an infrequent or occasional basis in order to reduce the amount to be taken away by the city or its duly authorized agents, but no person shall be authorized by this section to carry away such solid waste if such person receives the benefits of the use of any such solid waste for feed for poultry, hogs, or other livestock unless such person receives permission from the Utilities Director. This section shall not be construed as relieving any person from paying the regular solid waste fees.

8.32.050 Placing in containers-Generally.

The person in charge of any premises in the City shall gather the solid waste together and put it into a receptacle provided by the Utilities Department for that premises.

**8.32.070 Department--Removal intervals.**

All solid waste accumulated at, or on any premises within the city, shall be removed by the Utilities, Department, Solid Waste Division, at regular intervals, as determined by the Utilities Director.

**8.32.080 Residential containerization.**

All garbage, recyclables and yard waste shall be containerized as follows:

- A. Garbage/Putrescible waste must be placed in the standard plastic garbage containers provided by the City not exceeding ninety six gallons with a total weight limit of two hundred pounds per container.
- B. Yard waste shall be placed in standard plastic containers provided by the City. Tree limbs shall not exceed four inches in diameter and shall not protrude above the lid of the container. Loose branches, cuttings, trimmings, etc. which are not containerized shall not be collected except through the Neighborhood Clean-up as defined under section 8.32.250.
- C. Recyclables shall be placed in the standard plastic container provided by the City.
- D. Municipal solid waste which does not fall into the above categories (A, B and C) is Garbage and must be placed in the appropriate container

**8.32.090 Residential/Commercial prohibited materials.**

A. Materials which will not be collected in 60-65 gallon and 90-95 gallon containers include:

- 1. Dirt, rocks, sod, concrete, large metal objects, furniture;
- 2. Construction and remodeling debris;

B. Materials which will not be collected in any City container include:

- 1. Flammables;
- 2. Live ammunition;
- 3. Household Hazardous Waste;
- 4. Hazardous Waste;

C. No person shall place any wearing apparel, bedding or other refuse from homes or other places where highly infectious or contagious diseases have prevailed or any explosive substance, poison, hazardous chemical, offal, or fecal matter.

- D. Hazardous medical waste, including, but not limited to sharps, shall be handled by a licensed medical waste hauler and shall not be disposed of in materials offered for collection by the city.

**8.32.100 Residential container location and holiday requirements.**

- A. Residences having street frontage only. Residential containers for solid waste, recycling and yard waste shall be placed for collection at the street curb or edge of road right-of-way by 6:00 a.m. on scheduled collection day, holidays included, and be removed from the street and screened from public view by 6:00 a.m. of the following day. The wheels of the containers will be placed in the gutter with the handle facing the residence. Containers will be at least three (3) feet from any obstruction such as automobiles, trailers, motor homes, fences, lampposts, portable basketball hoops, mailboxes, or other automated containers. Containers are not to block pedestrian access.
- B. Residences with alley way access. Residential containers for solid waste, recycling and yard waste shall be placed for collection adjacent to the alley property line, with direct access from the alley way by 6:00 a.m. on scheduled collection day, holidays included. The base of the container will be placed on a stable, level surface with the handle facing the residence. Containers will be at least three (3) feet from any obstructions such as automobiles, trailers, motor homes, fences, portable basketball hoops, lampposts, mailboxes, or other automated containers.
- C. Residences with private driveways. All solid waste, recycling and yard waste must be placed at the nearest road right-of-way by 6:00 a.m. on scheduled collection day, holidays included and removed from the right-of-way and screened from public view by 6:00 a.m. of the following day. The container must be placed on a level surface with the handle facing the shoulder of the road. Containers will be at least three (3) feet from any obstructions such as automobiles, trailers, motor homes, fences, portable basket ball hoops, lampposts, mailboxes, or other automated containers.
- D. Collection trucks will come back for solid waste, recycling, and yard waste put out after the truck has passed a residence upon payment of an extra pick-up service charge.
- E. For purposes of this Section, "Screen" means blocked from public view from the street or Public right-of-way with a permanent fence, enclosure, landscaping, or other comparable facility as approved by the Director.

**8.32.101 Service to below-ground containers prohibited.**

Utilities Department personnel shall not service containers stored below the surface of the ground.

**8.32.110 Location requirements.**

The Utilities Department shall not collect garbage from above the first floor of any premises, nor from the basement of any premises.

**8.32.111 Automated solid waste containers.**

- A. Fee Established. Each dwelling unit to be serviced by City-owned sixty-five and ninety-five gallon automated container collection shall pay a fee upon issuance of a building permit equal to the then cost of providing the containers. The fee shall be

adjusted on July 1<sup>st</sup> of each fiscal year by the Utilities Director to reflect the most recent cost per container actually purchased by the City, plus the cost of labor and equipment necessary to deliver the containers to the new dwelling. Containers shall be delivered upon issuance of a certificate of occupancy for the residence by the chief building inspector.

B. **Ownership.** The City shall retain ownership of the sixty-five and ninety-five gallon automated solid waste containers. Persons owning or renting property served by such containers are responsible for the security of the containers. In the event of fire, theft, or other disappearance of container from the property a replacement container shall be obtained from the City upon payment of the fee established in subsection A of this section. Persons owning or renting property served by such containers shall, upon vacating the premises, leave the primary containers for the next occupant in a secure location upon the premises. Persons who have ordered an extra container shall, upon vacating the premises, contact the city to have the extra container removed. Persons owning or renting property served by such containers are responsible for the appearance and cleanliness of the container.

C. **Replacement Containers.** A replacement container may be obtained upon payment of the fee established in subsection A of this section. Replacement of a container no longer usable due to normal wear shall not be subject to a replacement fee.

**8.32.120 Container/Dumpster Enclosure--Business location.**

Solid waste containers/dumpster enclosures at places of business shall be located in such place as shall be convenient to the Solid Waste Division and must be approved by the Utilities Director. City approved solid waste enclosures are to be used for solid waste removal equipment only. Storage of other equipment or material will not be allowed. The property owner shall be liable for damage to or spills from any other equipment stored in the solid waste enclosure.

**8.32.130 Special solid waste service.**

A. **Container Service.** The tenant, occupant, owner or lessee of any premises in the city may obtain a city commercial container for the purpose of disposing of brush and tree cuttings, trash and inorganic solid waste, excluding the following materials: (a) dirt, rocks, sod, concrete, large metal objects, furniture.; (b) flammables and liquids; (c) live ammunition; (d) paints, oils, and acids. The person requesting special trash service is responsible to pay for the service in accordance with a fee set by the City Council. The city shall be responsible for delivery and pick-up of the commercial bin to and from the premises of the persons requesting service.

B. **Container/Roll-off Service -** The tenant, occupant, owner or lessee of any premises in the city may obtain a city commercial ten, twenty, thirty or forty yard roll-off container for the purpose of disposing of recyclables, brush and tree cuttings, trash and inorganic solid waste, excluding the following materials: (a) dirt, sod, large metal objects, furniture; (b) flammables and liquids; (c) live ammunition; (d) paints, oils and acids. The person requesting special trash service is responsible to pay for the service in accordance with a fee set by the City Council. The city shall be responsible for delivery and pick-up of the commercial container to and from the premises of the persons requesting service.

C. Collection of Household Hazardous Waste (HHW)- The tenant, occupant, owner or lessee of any residential premises in the city may request special collection of the following materials through appointment with the City's Utilities Department HHW Division: flammables and liquids, pesticides, paints, oils and oil filters batteries, anti freeze, pool chemicals, propane tanks, TV's and computer monitors.

D. Disposal of Medical and Bio-hazardous Waste - The tenant, occupant, owner or lessee of any premises in the city shall not dispose of any medical or bio-hazardous waste in a city-owned collection container. Disposal of medical or bio-hazardous waste shall be performed through a licensed collection and disposal company, which complies with all applicable laws and regulations, including but not limited to, California Health & Safety Code, Sections 117600-118360.

8.32.135 Collection charges-Established by City Council.

All charges for solid waste collection shall be established or modified by resolution of the City Council. The schedule of fees shall remain on file and be available in the office of the Finance Director. The Utilities Director shall, with the approval of the city manager, recommend changes in the above fees when the cost of solid waste collection makes it appropriate.

8.32.140 Charges for Collection.

A. Residential

1. Each and every householder or tenant occupying any dwelling, house, or residence, shall pay to the City, or its authorized agent, a fixed minimum solid waste fee based upon current established solid waste rates which shall be set by City Council. Such fee is based upon service of one (1) call per week for garbage and one (1) call every other week for recyclables and yard waste without consideration of whether there is any garbage, recyclables or yard waste to remove from the premises.
2. Solid waste service may be discontinued upon written request for a period of no less than two (2) months when a dwelling, house, or residence will be unoccupied. The minimum time of discontinuing service will be two (2) months. A service charge equal to two (2) months solid waste charge will be charged to the utility user for the removal and redelivery of the assigned automated containers when service has been temporarily discontinued. This service charge will be paid at the time service is discontinued. Upon occupancy of a dwelling, house or residence the utility user must contact the City Finance Department to restart service. If the occupant of a dwelling, house, or residence does not contact the City to restart service, the City may bill back to the discontinuance of service all monthly charges.
3. For collection of additional containers beyond those covered by the fixed minimum charges established in this chapter, the collection charge shall be set by Resolution of the City Council for each additional solid waste container.
4. An additional or special pickup may be requested beyond the minimum service required by this chapter. Each such additional or special pickup shall be subject to



a fixed fee. The fixed fee for additional or special pickups shall be set by Resolution of the City Council.

**B. Commercial**

1. A landlord, property owner, or property manager or management company of each and every store, shop, apartment, house, rooming house, or factory that has a commercial container shall pay to the City, or its authorized agent, a fixed minimum charge as set forth by the City Council as a solid waste fee. Such fixed minimum charge is based upon service of (1) call per week, without consideration of whether there is any solid waste to remove from the premises.

A landlord, property owner, or property manager or management company with multiple tenants who must share a commercial container shall be responsible for the solid waste utility bill of the tenants. Responsibility to pay the solid waste utility bill of the landlord, property owner, or property manager or management company will become mandatory effective six months from the date of the adoption of this ordinance to allow time to renew rental or lease contracts with tenants

2. Commercial Container, Roll-off, and Additional Services. The Utilities Director may approve the placing of solid waste in containers other than ninety-five (95) gallon automated cans such as roll-off containers. The fixed fee and additional service charges will be set by Resolution of the City Council. Such charge shall include all costs to the City, including, but not limited to, labor, equipment operation, maintenance and depreciation, administrative overhead, recycling, landfill closure and landfill operation costs. Standard, commercial, charges for commercial containers and roll-off containers may be established by the Utilities Director subject to the approval of the City Council.
3. An additional or special pickup may be requested beyond the minimum service required by this chapter. Each such additional or special pickup shall be subject to a fixed fee. The fixed fee for additional or special pickups shall be set by Resolution of the City Council.

**C. Adjustment of Bills for Billing Error.**

1. Where the City overcharges or undercharges a customer's solid waste bill as the result of a billing error, the City may render an adjusted bill for the amount of the undercharge, without interest, and shall issue a refund or credit to the customer for the amount of the overcharge, without interest, for the same periods as for the billing error. Adjusted billing shall be computed back to the date that the City determines the billing error commenced, except that the period of adjustment shall not exceed one (1) year for a refund and six (6) months for an undercharge.

**8.32.150 Fees and Charges--Due date.**

Solid waste service fees and charges shall be paid on the first of each and every month and are delinquent on the tenth day of each month and shall be paid in advance.

**8.32.160 Charges--Collection authority.**

The city Finance Department shall collect all charges and fees with the assistance of the City Attorney as necessary or appropriate.



**8.32.170 Charges--Nonpayment--Violation.**

The nonpayment by any person of the solid waste fee after notice given by the city Finance Department by bill rendered to such person, or left on the premises is a violation of this chapter.

**8.32.180 Charges--Nonpayment--Discontinuance.**

The city shall have the right in addition to any other remedies to discontinue solid waste service for nonpayment of solid waste fees or charges.

**8.32.190 Accumulation prohibited.**

No person shall permit solid waste to accumulate upon the premises owned or occupied by such person.

**8.32.191 Sufficient Service Required.**

Customers must accept solid waste collection service sufficient to remove solid waste generated by or accumulating weekly from the premises. The Utilities Director may order additional service on behalf of the customer where the department determines necessary. If additional service is needed, a customer may use additional containers or select a larger-capacity container from the container choices available from the department. Commercial-route customers may also request more frequent container collection or dumps more than once a week.

**8.32.192 Exclusive use of containers.**

A. It is unlawful for any person to dump or place any material into, or to utilize, any solid waste container, bin or dumpster without consent of the property owner or tenant in charge of the property.

B. It is unlawful for any person, without the consent of the property owner or tenant in charge of the property, to enter into a solid waste container, whether or not a notice has been placed on such container, for the purpose of salvaging solid waste therein or for the purpose of utilizing the receptacle to rest or sleep therein.

**8.32.210 Scavenging of recyclable materials.**

No person shall remove recyclable materials from residential containers or commercial dumpsters that are designated for city collection. Such material includes, but is not limited to: newspapers, magazines, yard trimmings, wood waste, books, glass bottles, cardboard, plastic bottles, aluminum and steel cans.

**8.32.220 Exemption from participation in Residential Curbside Recycling.**

At the discretion of the Utilities Director, an exemption may be granted to individual(s) from participating in Residential Curbside Recycling upon approval from the Utilities Director, in his/her sole discretion. Exemptions may be granted based on the following criteria:

- A. Individual(s) who perform back yard composting at their household
- B. Individual(s) who perform grass cycling at their household
- C. Individual(s) or Home Owner's Associations whose gardener takes green waste to a recycler
- D. A lack of yard waste or recyclables being generated at household

- E. Health related reasons which prevent individual(s) from wheeling carts to the curb
- F. Severe space constraints which prevents the placement of additional containers at household

Individuals must request an exemption in writing and such request must provide a detailed explanation of the basis for the request, include supporting documentation and any other information or documentation reasonably requested by the Utilities Director. Exemptions may be revoked by the Utilities Director at any time at the discretion of the Utilities Director. Exemptions are conditioned upon and subject to 1) the requesting party continuing to reside at the location specified in the request; and, 2) the circumstances justifying the exemption remaining unchanged. Individuals or associations who are granted an exemption must notify the Utilities Director, in writing, of any change in the circumstances supporting the grant of exemption within 30 days of such change in circumstances.

**8.32.230 Contamination of containerized recyclables & yard waste.**

No person shall place non-recyclable materials into city-provided Containers, roll-off containers or dumpsters that are designated for the city collection of Recyclables or Yard Waste. Commercial or residential recycling or yard waste containers may be removed from service if excessive and frequent contamination is found in the container. Excessive and frequent contamination is defined as three violations within a one-year period. If a residential container is removed from service, no rate reduction will be provided. If a commercial container is removed from service, for contamination, the existing charge will be discontinued concurrently with the removal of the bin.

**8.32.240 Replacement fee for damaged containers.**

The Utilities Director shall have the authority to assess the cost for the replacement of containers, roll offs or dumpsters that have been damaged or destroyed due to the customer's negligence or misuse.

**8.32.250 Neighborhood Cleanup Requirements.**

Any and all materials deposited curbside for the purposes of participating in the Neighborhood Clean-up program must meet the following criteria:

- A. All pickups must be secured by an appointment
- B. All piles must be no more than five cubic yards in size (7' x 6' x 3')
- C. All materials must be placed curbside by 6:00 a.m. on the scheduled collection date
- D. Material must be placed at the edge of the street and not on a sidewalk
- E. All materials must only consist of
  1. Yard waste (leaves and grass must be bagged)
  2. Lumber/wood
  3. Furniture/mattresses
  4. Lawn mowers (remove gas & oil)
  5. Barbeques (remove propane tanks)
  6. Metals
  7. Large appliances
  8. Tires (no more than three)

Any materials placed curbside that do not meet the above requirements shall be considered illegal dumping and any person who commits such act(s) shall be subject to the penalties set forth in Folsom Municipal Code Section 8.34.040.

**8.32.260 Frequency of Residential Service Change Requests.**

Residents will be allowed three service change requests after receiving the residential solid waste, recycling and yard waste carts at no charge for one year of the City's recycling program applicable to all categories of service. Additional service change requests will be charged an administrative fee of \$20.00 or as otherwise set by the City Council by Resolution.

The categories of service change include:

- A. Changing the size and number of garbage containers
- B. Changing the size and number of recycling containers
- C. Changing the size and number of yard waste containers

**8.32.270 Enforcement.**

A. This chapter shall be enforced pursuant to the provisions of Chapters 1.08 to 1.10, inclusive, of Title 1 of the Folsom Municipal Code and any other enforcement mechanism available to the City under the Folsom Municipal Code and/or applicable law.

B. Unless otherwise expressly provided in this Chapter, the Utilities Director shall enforce the provisions of this chapter.

**8.32.280 Penalties.**

A. Unless otherwise expressly provided in this Chapter, a violation of this chapter shall be an administrative violation as defined in Section 1.08.020 of this code. In addition to enforcement by any procedure set forth in Chapters 1.08 to 1.10, inclusive, except as provided in this section, any violation of this chapter shall be punishable as an infraction and shall be punishable by: (1) a fine not exceeding fifty dollars for a first violation; (2) a fine not exceeding one hundred dollars for a second violation within one year; (3) a fine not exceeding two hundred fifty dollars for each additional violation within one year.

B. Each and every day during which a stationary violation continues, except in cases in which a given time has been allowed for corrective action to be taken, shall be a separate and distinct offense.

C. Violations of Section 8.32.090 (B), (C), and (D); 8.32.190, and 8.32.210 shall be a misdemeanor, which shall be punishable by a fine not to exceed \$1,000, or by imprisonment in the county jail for not more than 6 months, or by both such fine and imprisonment.

D. Each of the sanctions for administrative violations identified in Chapter 1.09 of this code shall be available for enforcement of the provisions of this chapter. The range of

monetary sanctions available for a violation of this chapter shall be as set forth in Section 1.09.012(A)(5) and may be imposed on a per day basis for each violation.

**8.32.290 Enforcement procedures, notice to correct.**

A. Prior to the suspension, revocation, or denial of any permit, or the assessment of any fee, penalty, or charge, or the commencement of any other enforcement action pursuant to this chapter, the enforcement authority may pursue the procedures set forth in Chapter 1.09 of this code. The rights to judicial review set forth in Sections 1.09.050 to 1.09.059, inclusive, of this code shall apply.

B. A notice to correct shall not be required to commence the administrative hearing procedures set forth in Chapters 1.08 to 1.10, inclusive, of this code. Pursuant to Section 1.09.024(A) of this code, a notice of administrative violation shall be served in accordance with the provisions of Section 1.09.027 of this code.

**8.32.300 Remedies cumulative.**

The remedies set forth in this chapter are cumulative to any other remedy available to the city. Pursuit of one remedy shall not preclude any other remedy, and nothing contained in this chapter shall limit or be deemed to prevent the city from pursuing any other remedy available to the city under the city's code or any other applicable law.

**SECTION 3**

Except as set forth in this ordinance, all other provisions of Chapter 8.32 remain in full force and effect.

**SECTION 4 SEVERABILITY**

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

**SECTION 5 EFFECTIVE DATE**

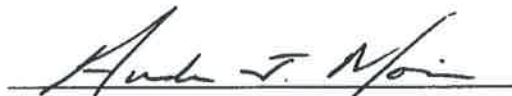
This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City of Folsom.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on January 24, 2006, and by a majority vote of the Council Members present, further reading was waived.

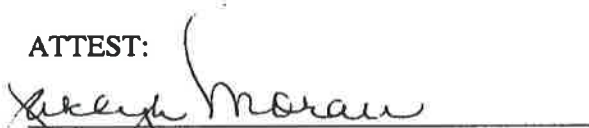
On a motion by Council Member Miklos, seconded by Council Member Starsky, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 14<sup>th</sup> day of February 2006 by the following roll-call vote, to wit:

**PASSED AND ADOPTED** on this 14<sup>th</sup> day of February 2006, by the following roll-call vote:

AYES:	Council Member(s)	Miklos, Starsky, Morin
NOES:	Council Member(s)	Howell
ABSENT:	Council Member(s)	King
ABSTAIN:	Council Member(s)	None

  
\_\_\_\_\_  
Andrew J. Morin, MAYOR

ATTEST:

  
\_\_\_\_\_  
Jaklyn Moran, DEPUTY CITY CLERK

Effective: March 16, 2006