



**CITY OF HUGHSON
CITY COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
7018 Pine Street, Hughson, CA**

**AGENDA
MONDAY, SEPTEMBER 28, 2015 – 7:00 P.M.**

CALL TO ORDER: Mayor Matt Beekman

ROLL CALL: Mayor Matt Beekman
Mayor Pro Tem Jeramy Young
Councilmember Jill Silva
Councilmember George Carr
Councilmember Harold Hill

FLAG SALUTE: Mayor Matt Beekman

INVOCATION: Hughson Ministerial Association

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

Members of the audience may address the City Council on any item of interest to the public pertaining to the City and may step to the podium, state their name and city of residence for the record (requirement of name and city of residence is optional) and make their presentation. Please limit presentations to five minutes. Since the City Council cannot take action on matters not on the agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

2. PRESENTATIONS:

2.1: A Proclamation: October: Manufacturing Awareness And Appreciation Month

- 2.2:** MS4 Phase II Permit/Storm Water Discharges from Small Municipal Separate Storm Sewer Systems – Condor Earth Technologies

3. CONSENT CALENDAR:

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

- 3.1:** Approve the Minutes of the Regular Meeting of August 28, 2015.
- 3.2:** Approve the Warrants Register.
- 3.3:** Approval of the Treasurer's Reports- July 2015.
- 3.4:** Appoint Alan F. McFadon to the Parks and Recreation Commission.
- 3.5:** Appoint Councilmember Jill Silva as the City Representative to the Stanislaus Council of Governments Policy Board and Mayor Matt Beekman as the Alternate.

4. UNFINISHED BUSINESS: None.

5. PUBLIC HEARING TO CONSIDER THE FOLLOWING:

- 5.1:** Introduce and waive the First Reading of Ordinance No. 2015-11, an Ordinance of the City Council of the City of Hughson adopting the Development Agreement by and between the City of Hughson and DG-Hughson, CA-1-UT, LLC. (Dollar General / Embree Group) relating to the development of the Dollar General retail store at Hughson Avenue and 4th Street.

6. NEW BUSINESS:

- 6.1:** Review and discuss Code Enforcement (CE) activities from Fiscal Year (FY) 2014-15, as well as priorities for the upcoming year
- 6.2:** Authorize the City Manager to enter into a Memorandum of Understanding with the members of the Turlock Groundwater Basin Association for the purposes of coordinating activities for compliance with the Sustainable Groundwater Management Act.

7. CORRESPONDENCE: None.

8. COMMENTS:

8.1: Staff Reports and Comments: (Information Only – No Action)

City Manager: **Quarterly Grants Program Update.**

City Clerk:

Community Development Director:

Director of Finance:

Police Services:

City Attorney:

8.2: Council Comments: (Information Only – No Action)

8.3: Mayor’s Comments: (Information Only – No Action)

9. CLOSED SESSION TO DISCUSS THE FOLLOWING: None.

ADJOURNMENT:

WAIVER WARNING

If you challenge a decision/direction of the City Council in court, you may be limited to raising only those issues you or someone else raised at a public hearing(s) described in this Agenda, or in written correspondence delivered to the City of Hughson at or prior to, the public hearing(s).

UPCOMING EVENTS:

| | |
|-------------------|---|
| October 6 | ▪ Dedication Ceremony Stanislaus Sheriff’s Coroner Facility, 10:00 a.m. |
| October 12 | ▪ City Council Meeting @ City Hall Chambers, 7:00 p.m. |
| October 13 | ▪ Parks and Recreation Commission Meeting @ City Hall Chambers, 6:00 p.m. |
| October 20 | ▪ Planning Commission Meeting @ City Hall Chambers, 6:00 p.m. |
| October 24 | ▪ Southeast Stanislaus FRC Harvest of Promise, 6:00 p.m. |
| October 26 | ▪ City Council Meeting @ City Hall Chambers, 7:00 p.m. |

Any documents produced by the City and distributed to a majority of the City Council regarding any item on this Agenda will be made available at the City Clerk’s counter at City Hall located at 7018 Pine Street, Hughson, CA. 3

| | |
|--------------------|---|
| October 31 | ▪ Hughson Tent, Trunk or Treat @ Lebright Fields, Time TBA |
| November 9 | ▪ City Council Meeting @ City Hall Chambers, 7:00 p.m. |
| November 10 | ▪ Parks and Recreation Commission Meeting @ City Hall Chambers, 6:00 p.m. |
| November 17 | ▪ Planning Commission Meeting @ City Hall Chambers, 6:00 p.m. |

RULES FOR ADDRESSING CITY COUNCIL

Members of the audience who wish to address the City Council are requested to complete one of the forms located on the table at the entrance of the Council Chambers and submit it to the City Clerk. **Filling out the card is voluntary.**

AFFIDAVIT OF POSTING

DATE: September 24, 2015 **TIME:** 5:00 pm
NAME: Marilyn Castaneda **TITLE:** Management Intern

**AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT
 NOTIFICATION FOR THE CITY OF HUGHSON**

This Agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

Disabled or Special needs Accommodation: In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk's office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

Notice Regarding Non-English Speakers:

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Hughson City Council shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

General Information: The Hughson City Council meets in the Council Chambers on the second and fourth Mondays of each month at 7:00 p.m., unless otherwise noticed.

Any documents produced by the City and distributed to a majority of the City Council regarding any item on this Agenda will be made available at the City Clerk's counter at City Hall located at 7018 Pine Street, Hughson, CA. 4

Council Agendas: The City Council agenda is now available for public review at the City's website at www.hughson.org and City Clerk's Office, 7018 Pine Street, Hughson, California on the Friday, prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

Questions: Contact the City Clerk at (209) 883-4054

San Joaquin Valley Manufacturing Cluster



San Joaquin Valley Regional Industry Clusters Initiative

July 22, 2015

Good morning,

On behalf of the San Joaquin Valley Manufacturing Cluster and a growing list of partners, we would like to invite you to join us in our efforts to develop a vibrant economy and healthy communities in the San Joaquin Valley.

Central to our effort is building a strong manufacturing sector supported by a highly engaged industry cluster. In order to achieve this, we must help the public understand that 21st century manufacturing offers a wide range of quality jobs and outstanding careers; the jobs involve a wide range of skills and career pathways; and manufacturers today are committed to environmental protection and positive impacts on the communities in which they reside. Manufacturing is considered a primary industry—it supports jobs in every other sector.

There are some simple ways you can help. On October 2, our entire nation is stepping up to celebrate Manufacturing Day to raise awareness and offer hands-on experience as plant tours will be offered across the country. Enclosed is a Proclamation we ask you to adopt to demonstrate your support for this event and ongoing commitment to fostering awareness, opportunity and support for our manufacturing companies.

Alongside these efforts, we have partnered with educators at every level to raise awareness and prepare our children's success by offering the project-based learning, technical skills and personal development they will need to thrive in the evolving workplace.

We appreciate all you do to guide our community. We welcome your support and look forward to your involvement in activities that will bring a new level of shared prosperity to the communities of the San Joaquin Valley.

If you have an interest in learning more about:

- San Joaquin Valley Manufacturing Cluster Initiative, visit <http://sjvricti.org/manufacturing/>
- Manufacturing Day, visit www.mfgday.com
- Doing What MATTERS for Jobs and the Economy Initiative, visit: www.doingwhatmatters.cccco.edu

We appreciate your support!

Sincerely

Mike Betts

Mike Betts | Chairman & CEO
Betts Company
Chair, San Joaquin Valley Manufacturing Cluster

A handwritten signature in blue ink that reads "G. Sangha".

Gurminder Sangha
Deputy Sector Navigator



CALIFORNIA COMMUNITY COLLEGES
Doing What MATTERS™
FOR JOBS AND THE ECONOMY

5010 N Woodrow Ave.
2nd Floor, M/S WC 142
Fresno, California 93740
559.278.0721 P
559.294.6024 F
www.sjvpartnership.org

ADMINISTERED BY
FRESNO STATE
Community and Economic Development



A PROCLAMATION: OCTOBER: MANUFACTURING AWARENESS AND APPRECIATION MONTH

Whereas, Manufacturing Day is celebrated nationally on the first Friday of the month of October to showcase manufacturers and increase awareness of manufacturing careers.

Whereas, manufacturing jobs are critical to the economy and provide living wages with long-term career opportunities.

Whereas, manufacturing sector includes food processing, milk processing, beverage manufacturing, nut processing, paper products, food packaging, plastic products, steel products etc. and are the backbone of the economy.

Whereas, increasing awareness among students, parents, and community of local manufacturing careers is essential to encouraging manufacturing pathways.

Whereas, increasing opportunities for all to gain knowledge of the manufacturing careers within their immediate surroundings.

Whereas, coordinated and aligned efforts of public and private organizations is needed to collectively address the challenges of the skilled labor shortage.

Whereas, filling skilled labor shortage requires aligning and leveraging the efforts of public, private and nonprofit organizations.

Whereas, by working together with manufacturers, educational system, Workforce Investment Board, Economic Development Corporation, Chamber of Commerce, and other public and private organizations, the skilled labor shortage for short term can be solved, and long-term solutions can be developed.

Whereas, showcasing the regional commitment to manufacturing in the San Joaquin Valley will encourage local expansion and attraction from other markets.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hughson, declare the Month of October, as the "Manufacturing Awareness and Appreciation Month" and declare our communities and manufacturers will work collaboratively with the San Joaquin Valley Manufacturing Cluster in creating an world class Career Technical Education Ecosystem to support and grow the manufacturing sector.

Presented on this 28th day of September, 2015

MATT BEEKMAN, Mayor



CITY OF HUGHSON AGENDA ITEM NO. 3.1

SECTION 3: CONSENT CALENDAR

Meeting Date: September 28, 2015
Subject: Approval of the City Council Minutes
Presented By: Marilyn Castaneda, Management Intern

Approved By: _____

Staff Recommendation:

Approve the Minutes of the Regular Meeting of September 14, 2015.

Background and Overview:

The draft minutes of the September 14, 2015 meeting are prepared for the Council's review.



**CITY OF HUGHSON
CITY COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
7018 Pine Street, Hughson, CA**

**Minutes
MONDAY, SEPTEMBER 14, 2015 – 7:00 P.M.**

CALL TO ORDER: Mayor Matt Beekman

ROLL CALL: Mayor Matt Beekman
Mayor Pro Tem Jeramy Young
Councilmember Jill Silva – Absent Excused
Councilmember George Carr
Councilmember Harold Hill

Staff Present: Raul L. Mendez, City Manager
Dan Schroeder, City Attorney
Jaylen French, Community Development Director
Shannon Esenwein, Finance Director
Lisa Whiteside, Finance Manager
Jaime Velazquez, Utilities Superintendent
Sam Rush, Public Works Superintendent
Marilyn Castaneda, Management Intern

FLAG SALUTE: Mayor Matt Beekman

INVOCATION: Mayor Matt Beekman

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

Hughson resident, Doug Humphreys shared with the City Council and public his feelings towards how law enforcement responded to his concerns raise during the previous City Council meeting. Also Mr. Humphreys thanked the City Council and staff for the new lights at Lebright Fields. Mayor Beekman thanked Mr. Humphreys for coming forward and expressing concerns and shared that such feedback is always encouraged.

2. PRESENTATIONS:

2.1: Certificate of Recognition: Barbara Bawanan

Mayor Beekman presented Barbara Bawanan with a certificate of recognition, as well as provided background on Mrs. Bawanan's history with Hughson and the United Samaritans Foundation (USF). Mrs. Bawanan introduced Beverly Hatcher as the USF new Executive Director and thanked City Council for the collaboration and partnership with the community.

2.2: A Proclamation: Declaring September 20–26, 2015 as “Childhood Cancer Awareness Week”

City Management Intern, Marilyn Castaneda read the Proclamation declaring September 20-26, 2015 as “Childhood Cancer Awareness Week”, out loud to the City Council, City staff and members of the public in the audience.

3. CONSENT CALENDAR:

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

- 3.1:** Approve the Minutes of the Regular Meeting of August 24, 2015.
- 3.2:** Approve the Warrants Register.
- 3.3:** Approval of the Treasurer's Reports – June 2015
- 3.4:** Adopt Resolution No. 2015-25, reducing the Employer Paid Member Contributions for the Public Employees Retirement System Classic Miscellaneous Members.
- 3.5:** Adopt Resolution No. 2015-26, clarifying Tax Deferred Member Paid Contributions to the California Public Employees' Retirement System (CalPERS) – IRC 414 (H)(2) Employer Pick-Up
- 3.6:** Adopt Resolution No. 2015-27, amending the Salary Range for Designated Management Classifications.
- 3.7:** Adopt Resolution No. 2015-28, to establish a Publicly Available Salary Schedule consistent with the requirement of California Code of Regulations, Title 2, Section 570.5.
- 3.8:** Consideration of the League of California Cities 2015 Annual Conference Resolution Packet

- 3.9:** Adopt Resolution No. 2015-29, concurring with the Consolidated Annual Performance Evaluation Report (CAPER) for Fiscal Year 2014-2015.
- 3.10:** Adopt Resolution No. 2015-30, setting the Appropriation Limit for Fiscal Year 2015-2016.

BEEKMAN/CARR 4-0 (SILVA – ABSENT) motion passes to approve Consent Calendar.

4. UNFINISHED BUSINESS:

- 4.1:** Award the farming lease for City property located on Leedom Road near the Waste Water Treatment Facility to Michael Noeller dba Noeller Farms and authorize the Mayor to execute the said lease.

City Manager Mendez presented the staff report on this item. He also provided background on the RFP. Mr. Michael Noeller was present to answer any questions by the City Council.

Mayor Pro Tem Young asked if the RFP or amount needed to be amended because it was to be negotiated. City Attorney Dan Schroeder advised there was no need to amend the RFP amount.

Mr. Noeller recommended taking a year off to let the soil rest. Also, he advised the City Council that putting in peaches might be a good idea and will provide the diversification from not just almonds.

Mayor Beekman opened the Public Hearing at 7:25 P.M. There were no Public Comments. The Public Hearing was closed at 7:26 P.M.

CARR/YOUNG 4-0 (SILVA - ABSENT) motion passes to award the farming lease for City property located on Leedom Road near the Waste Water Treatment Facility to Michael Noeller dba Noeller Farms and authorize the Mayor to execute the said lease.

5. PUBLIC HEARING TO CONSIDER THE FOLLOWING: None

6. NEW BUSINESS:

- 6.1:** Approve the agreement with Neumiller and Beardslee Attorney and Counselors for legal professional services and authorize the City Manager to execute the said agreement.

City Attorney Schroeder left the dais and excused himself from the City Council Chambers.

City Manager Mendez presented the staff report on this item as well as provided the history of the relationship between the City of Hughson and Neumiller and Beardslee. He also shared the main provisions of the current agreement and the comparison with what was being proposed. City Manager Mendez also shared his research in legal service costs compared to other liked municipalities (Ripon, Waterford and Escalon) in the Central Valley.

Mayor Beekman commented that he was pleased with the service that Neumiller and Beardslee provides to the City of Hughson and that they have always had the best interest of the City in mind.

Mayor Beekman opened the Public Hearing at 7:36 P.M. There were no Public Comments. The Public Hearing was closed at 7:37 P.M.

HILL/CARR 4-0 (SILVA - ABSENT) motion passes to approve the agreement with Neumiller and Beardslee Attorney and Counselors for legal professional services and authorize the City Manager to execute the said agreement.

7. CORRESPONDENCE: None.

8. COMMENTS:

8.1: Staff Reports and Comments: (Information Only – No Action)

City Manager:

City Manager Mendez updated the City Council and City staff on his attendance at the opening day ceremonies for the Hughson United Soccer League soccer season. City Manager Mendez reminded the City Council and public of the Stanislaus Regional 911 Emergency Dispatch JPA meeting on September 16th @ 1p.m, Hughson Fruit and Nut Festival September 19th and 20th, and Hughson Tent, Trunk or Treat @ Lebright Field in October.

City Clerk:

Community Development Director: Director French shared with the City Council that Hughson's water usage year to date amount was down by 29.4% from 2013. He also updated them on the Hatch/Santa Fe Traffic Signalization Project and that bids will open on 9/23/15 and that construction should start in November and be done Spring of 2016 for the Channelization and Signalization. He also shared that Tully Road construction should be done by October 2, 2015. Director French also informed the City Council that City staff has been working with the Alliance on developing a strategy to bring a full-service grocery store to Downtown Hughson.

Director of Finance:

Police Services: Chief Larry Seymour provided the City Council with the Crime Statistic Report from 08/10/2015 - 09/13/2015.

City Attorney: City Attorney Dan Schroeder thanked the City Council for continuing the relationship with his firm.

8.2: Council Comments: (Information Only – No Action)

Councilmember Carr updated the City Council on his attendance at the opening day ceremonies for the Hughson United Soccer League soccer season. Councilmember Carr stated how surprised he was to see so many parents and kids in attendance and commended the parents for keeping the youth active. Also, Councilmember Carr attended the Hughson Tent, Trunk or Treat planning meeting and was impressed to see so many people at the meeting. Also, he reminded City staff and City Council of the HUSL Breakfast at 7-11 a.m during the Hughson Fruit and Nut Festival on September 20.

Mayor Pro Tem Young updated the City Council on his attendance at the School/Council 2+2 meeting and commended Public Works staff for their hard work in getting downtown ready for the Hughson Fruit and Nut Festival. Mayor Pro Tem Young also shared that he will be attending the League of California Cities Annual Conference along with the City Manager.

Councilmember Hill updated the City Council on his attendance at the Modesto Economic Development Action Committee (EDAC) meeting as well as the final day of the Farmers Market in Downtown Hughson.

8.3: Mayor's Comments: (Information Only – No Action)

Mayor Beekman updated City Council and City staff on his attendance at the School/Council 2+2 meeting on behalf of Councilmember Jill Silva. Mayor Beekman will also be attending the Cal LAFCO awards Banquet, where he will be receiving "Commissioner of the Year" award. Mayor Beekman reminded City Council and City staff of the Walk for Love on Sunday at the Hughson Fruit and Nut festival.

9. CLOSED SESSION TO DISCUSS THE FOLLOWING: None.

ADJOURNMENT:

CARR/BEEKMAN motion passes to adjourn the meeting at 7:54 P.M.

Matt Beekman, Mayor

Dominique Spinale Romo, City Clerk



CITY OF HUGHSON AGENDA ITEM NO. 3.2

SECTION 3: CONSENT CALENDAR

Meeting Date: September 28, 2015
Subject: Approval of Warrants Register
Enclosure: Warrants Register
Presented By: Shannon Esenwein, Director of Finance

Approved By: _____

Staff Recommendation:

Approve the Warrants Register as presented.

Background and Overview:

The warrants register presented to the City Council is a listing of all expenditures paid from 9/11/15 – 9/24/15.

Fiscal Impact:

There are reductions in various funds for payment of expenses.

SE

REPORT.: Sep 24 15 Thursday
RUN.....: Sep 24 15 Time: 14:49
Run By.: Lisa Whiteside

City of Hughson
Cash Disbursement Detail Report
Check Listing for 09-15 Bank Account.: 0100

PAGE: 001
ID #: PY-DP
CTL.: HUG

| Check Number | Check Date | Vendor Number | Name | Net Amount | Invoice # | Description |
|--------------|------------|---------------|---------------------------|--------------|-----------|---|
| 46890 | 9/11/2015 | CRO01 | CROWN DESIGNS T'S AND TOP | \$ 467.01 | 2470 | CITY OF HUGHSON T-SHIRTS |
| 46891 | 9/11/2015 | EXP00 | EXPRESS PERSONNEL SERVICE | \$ 1,381.82 | 160668224 | EXTRA HELP 7/19 |
| | | | | \$ 667.18 | 161795703 | EXTRA HELP 8/16 |
| | | | | \$ 690.91 | 162039614 | EXTRA HELP 8/26/15 |
| | | | Check Total: | \$ 2,739.91 | | |
| 46892 | 9/15/2015 | EMP01 | STATE OF CALIFORNIA | \$ 1,655.26 | B50914 | PAYROLL TAXES |
| 46893 | 9/15/2015 | HAR02 | THE HARTFORD | \$ 429.66 | B50914 | DEFERRED COMPENSATION |
| 46894 | 9/15/2015 | PER01 | P.E.R.S. | \$ 7,101.67 | B50914 | RETIREMENT |
| 46895 | 9/15/2015 | STA23 | CaIPERS SUPPLEMENTAL INCO | \$ 685.00 | B50914 | DEFERRED COMPENSATION |
| 46896 | 9/15/2015 | UNI07 | UNITED WAY OF STANISLAUS | \$ 29.00 | B50914 | UNITED WAY |
| 46897 | 9/24/2015 | A&A00 | A&A PORTABLES, INC | \$ 301.81 | 1-627900 | RESTROOMS & DELIVERY FOR LEBRIGHT FIELDS |
| 46898 | 9/24/2015 | ABS00 | ABS PRESORT | \$ 864.69 | 100449 | PRINTING OF UTILITY BILLS SEPT/2015 |
| 46899 | 9/24/2015 | AFL01 | AFLAC | \$ 880.70 | 754499 | AFLAC |
| 46900 | 9/24/2015 | ALL07 | ALLEY INSURANCE SERVICE, | \$ 592.00 | 1010 | HEALTH PLAN CONSULTING |
| 46901 | 9/24/2015 | ATT01 | AT&T | \$ 4,028.20 | B50923 | PHONE |
| 46902 | 9/24/2015 | AVA00 | AVAYA, INC | \$ 101.83 | 733530708 | PHONE |
| | | | | \$ 80.02 | 733530719 | PHONE |
| | | | Check Total: | \$ 181.85 | | |
| 46903 | 9/24/2015 | CAL08 | CALAVERAS MATERIALS, INC. | \$ 568.69 | 4211780 | ASPHALT FOR STREET REPAIR ON MULBERRY |
| 46904 | 9/24/2015 | CEN14 | CENTRAL JANITOR'S SUPPLY | \$ 217.60 | 622976 | 3RD ST SANITARY SUPPLIES |
| | | | | \$ 725.22 | 627462 | MISC SANITARY SUPPLIES |
| | | | Check Total: | \$ 942.82 | | |
| 46905 | 9/24/2015 | CLA03 | CLARK'S PEST CONTROL | \$ 204.00 | 17407795 | PEST CONTROL |
| | | | | \$ 114.00 | 17430626 | PEST CONTROL |
| | | | Check Total: | \$ 318.00 | | |
| 46906 | 9/24/2015 | COO01 | COOPER CONTROLS, INC. | \$ 15.00 | FC 592 | BI ANNUAL CALIBRATION |
| | | | | \$ 549.48 | 9776-01 | BI-ANNUAL CALIBRATIONS |
| | | | Check Total: | \$ 564.48 | | |
| 46907 | 9/24/2015 | CSJ03 | CSJVRMA | \$ 23,084.00 | 2016-0080 | 2015 / 2016 2ND QUARTER DEPOSITS |
| 46908 | 9/24/2015 | ENV02 | ENVIRONMENTAL SYSTEMS | \$ 1,788.93 | 27207 | STREET SWEEPING FOR AUG |
| | | | | \$ 1,788.93 | 27232 | STREET SWEEPING FOR SEPT |
| | | | Check Total: | \$ 3,577.86 | | |

SE

| Check Number | Check Date | Vendor Number | Vendor Name | Net Amount | Invoice # | Payment Information Description |
|--------------|------------|---------------|---------------------------|--------------|-----------|---|
| 46909 | 9/24/2015 | EWI00 | EWING IRRIGATION PRODUCTS | \$ 1,288.23 | 42075 | WEEK KILLER USED FOR WWTP |
| 46910 | 9/24/2015 | EXP00 | EXPRESS PERSONNEL SERVICE | \$ 1,086.82 | 162950844 | EXTRA HELP 9/13/15 |
| 46911 | 9/24/2015 | EZN00 | EZ NETWORK SOLUTIONS | \$ 2,552.95 | TS29670 | IT SERVICES FOR JUNE |
| 46912 | 9/24/2015 | FED02 | FED EX | \$ 62.96 | B50923 | SHIPPING |
| 46913 | 9/24/2015 | FRA03 | FRANTZ WHOLESALE NURSERY | \$ 155.96 | 14762 | PLANTS & FERTILIZER FOR HUGHSON AVE |
| | | | | | | |
| 46914 | 9/24/2015 | GEO01 | GEOANALYTICAL LABORATORIE | \$ 55.00 | B5H0401 | LAB TESTING FOR WATER TESTING |
| | | | | \$ 30.00 | B5H0403 | LAB TESTING FOR WATER TESTING |
| | | | | \$ 215.78 | B5H1120 | LAB TESTING FOR WATER TESTING |
| Check Total: | | | | \$ 300.78 | | |
| | | | | | | |
| 46915 | 9/24/2015 | GIL01 | GILTON SOLID WASTE MANAGE | \$ 37,093.28 | B50923 | AUGUST GARBAGE LESS FRANCHISE FEE |
| | | | | | | |
| 46916 | 9/24/2015 | HUG03 | HUGHSON CHRONICLE | \$ 139.30 | 107423 | LEGAL# 1395 WEEK OF 9/1/15 |
| | | | | \$ 139.30 | 107424 | LEGAL #1393 WEEK OF 9/1/15 |
| | | | | \$ 139.30 | 107425 | LEGAL #1392 WEEK OF 9/1/15 |
| | | | | \$ 149.25 | 107427 | LEGAL #1387 WEEK OF 9/1/15 |
| | | | | \$ 129.35 | 107428 | LEGAL #1391 WEEK OF 9/1/15 |
| | | | | \$ 139.30 | 107518 | LEGAL #1436 WEEK OF 9/15/15 |
| Check Total: | | | | \$ 835.80 | | |
| | | | | | | |
| 46917 | 9/24/2015 | HUG11 | HUGHSON FARM SUPPLY | \$ 107.20 | H127871 | MISC TOOLS AND SUPPLIES |
| | | | | \$ 129.40 | H139013 | MISC TOOLS AND SUPPLIES |
| | | | | \$ 61.56 | H139709 | MISC TOOLS AND SUPPLIES |
| | | | | \$ 8.15 | H142053 | MISC TOOLS AND SUPPLIES |
| | | | | \$ 55.27 | H148084 | MISC TOOLS & SUPPLIES |
| | | | | \$ 11.57 | H149185 | MISC TOOLS AND SUPPLIES |
| | | | | \$ 28.83 | H149296 | MISC TOOLS AND SUPPLIES |
| | | | | \$ 70.98 | H149386 | MISC TOOLS & SUPPLIES |
| | | | | \$ 14.43 | H149389 | MISC TOOLS AND SUPPLIES |
| | | | | \$ 65.83 | H151077 | MISC TOOLS & SUPPLIES |
| | | | | \$ 10.75 | H151422 | MISC TOOLS & SUPPLIES |
| | | | | \$ 64.02 | H151563 | MISC TOOLS & SUPPLIES |
| | | | | \$ 32.26 | H151605 | MISC TOOLS & SUPPLIES |
| | | | | \$ 17.20 | H151662 | MISC TOOLS & SUPPLIES |
| Check Total: | | | | \$ 677.45 | | |
| | | | | | | |
| 46918 | 9/24/2015 | HUG34 | VALLEY PARTS WAREHOUSE, I | \$ 3.83 | 155069 | SMALL MATERIAL NEEDED FOR VEHIC. MAINT & REPAIR |
| | | | | \$ 12.90 | 156296 | SMALL MATERIAL NEEDED FOR VEHICLE MAINT |
| | | | | \$ 34.25 | 156301 | SUPPLY & PARTS FOR WASTE WATER/ SEWER / WATER |
| | | | | \$ 13.02 | 158133 | SMALL MATERIAL NEEDED FOR VEHIC. MAINT & REPAIR |
| Check Total: | | | | \$ 64.00 | | |

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| Check Number | Check Date | Vendor Number | Vendor Name | Net Amount | Payment Invoice # | Information Description |
|--------------|------------|---------------|---------------------------|--------------|-------------------|--|
| 46919 | 9/24/2015 | JOR02 | JORGENSEN & CO. | \$ 187.43 | 5537210 | ANNUAL SERVICE FOR FIRE SUPPRESSION SYSTEM |
| 46920 | 9/24/2015 | KEL03 | KELLY'S BACKFLOW SERVICES | \$ 1,725.00 | 340 | ANNUAL TESTING & INSPECTION OF CITY OWNED BACKFLOW |
| 46921 | 9/24/2015 | LAY00 | LAYMAN ELECTRIC INC. | \$ 150.00 | 57044 | LABOR TO DIAG. ISSUES W/THE 7TH ST LIFT STATION |
| 46922 | 9/24/2015 | MAI00 | MAIN STREET DELI | \$ 74.50 | 815 | 7/13/15 DELI SANDWICHES EDC MEETING |
| 46923 | 9/24/2015 | MCF01 | MCFADDEN CONSTRUCTION, IN | \$ 2,946.64 | B50923 | HUGHSON AVE IMPROVEMENTS |
| 46924 | 9/24/2015 | MCR01 | MCR ENGINEERING, INC | \$ 12,496.00 | 11174 | HUGHSON AVE/TULLY RD RR CROSSING & RECONSTRUCTION |
| 46925 | 9/24/2015 | MEN20 | MENDEZ, RAUL | \$ 1,085.14 | B50923 | REIMB.FOR FRUIT & NUT FEST & HF CENTENNIAL |
| 46926 | 9/24/2015 | MIN00 | MINTIERHARNISH PLANNING C | \$ 1,311.75 | HUGHHEU09 | HUGHSON 5TH CYCLE HOUSING ELEMENT UPDATE |
| 46927 | 9/24/2015 | MIS01 | MISSION UNIFORM SERVICE | \$ 81.54 | 500652528 | UNIFORM SERVICE |
| | | | | \$ 40.33 | 500652529 | UNIFORM SERVICE |
| | | | | \$ 15.96 | 500652530 | UNIFORM SERVICE |
| | | | | \$ 67.80 | 500663672 | UNIFORM SERVICE |
| | | | | \$ 40.59 | 500698998 | UNIFORM SERVICE |
| | | | | \$ 15.96 | 500698999 | UNIFORM SERVICE |
| | | | | \$ 40.59 | 500743179 | UNIFORM SERVICE |
| | | | | \$ 15.96 | 500743180 | UNIFORM SERVICE |
| | | | | \$ 50.69 | 500786322 | UNIFORM SERVICE |
| | | | | \$ 15.96 | 500786323 | UNIFORM SERVICE |
| | | | Check Total: | \$ 385.38 | | |
| 46928 | 9/24/2015 | OWS00 | OWSLEY LOCK AND KEY | \$ 95.00 | B50923 | NEW KEY FOR DUMP TRUCK |
| | | | | \$ 115.00 | B50924 | DESK KEYS FOR CHAMBER OFFICE |
| | | | Check Total: | \$ 210.00 | | |
| 46929 | 9/24/2015 | PIT01 | PITNEY BOWES | \$ 513.38 | B50923 | POSTAGE REFILL |
| 46930 | 9/24/2015 | PIT02 | PITNEY BOWES, INC | \$ 182.93 | 502802751 | POSTAGE REFILL |
| 46931 | 9/24/2015 | PUR01 | PURCHASE POWER | \$ 1,073.29 | B50923 | POSTAGE REFILL |
| 46932 | 9/24/2015 | QUI03 | QUICK N SAVE | \$ 139.58 | 1-0033 | FUEL |
| | | | | \$ 93.08 | 1-3972 | FUEL |
| | | | Check Total: | \$ 232.66 | | |
| 46933 | 9/24/2015 | RIC04 | RICOH USA, INC | \$ 1,340.15 | 95440837 | COPIER LEASE |

SE

| Check Number | Check Date | Vendor Number | Vendor Name | Net Amount | Invoice # | Payment Information Description |
|----------------------|------------|---------------|---------------------------|---------------|-----------|---|
| 46934 | 9/24/2015 | SAF01 | SAFETLITE | \$ 221.99 | 318121 | STREET SIGNS FOR TULLY RD |
| | | | | \$ 2,187.30 | 318407 | REPLACEMENT STREET SIGNS FOR THE ENTIRE CITY 2015 |
| | | | | \$ 442.91 | 318526 | TRAFFIC CONES FOR ST DEPT |
| | | | | \$ 724.10 | 318611 | CHANNELIZERS FOR ST DEPT |
| | | | | \$ 869.79 | 318736 | STREET SIGNS FOR TEH NEW SPORTS COMPLEX |
| | | | | \$ 47.88 | 318855 | NO PARKING SIGNS FOR STREETS |
| Check Total: | | | | \$ 4,493.97 | | |
| 46935 | 9/24/2015 | SAU00 | SAUNDERS A/C & HEATING | \$ 350.10 | T10658 | REPAIR TO AC UNIT AT SHERRIF'S OFFICE |
| 46936 | 9/24/2015 | SEE01 | SEEGER'S | \$ 729.70 | 0117754IN | BUSINESS CARD PREPRINT |
| | | | | \$ 64.58 | 117754AIN | BUSINESS CARDS: VELAZQUEZ & ROBERTS |
| Check Total: | | | | \$ 794.28 | | |
| 46937 | 9/24/2015 | SHR02 | SHRED-IT CENTRAL CA | \$ 150.66 | 407363905 | SHREDDING |
| 46938 | 9/24/2015 | STA01 | STANISLAUS COUNTY | \$ 301.29 | 44985 | EMERGENCY SERVICES - ANNUAL FEE FOR FY 2014-2015 |
| 46939 | 9/24/2015 | STA36 | STANISLAUS FARM SUPPLY | \$ 94.00 | 1270077 | GOPHER BAIT FOR PARKS |
| 46940 | 9/24/2015 | STA42 | STANISLAUS COUNTY | \$ 1,190.00 | R15371701 | 2015-2016 2ND QUARTER DEBT SERVICE |
| 46941 | 9/24/2015 | SYN02 | SYNAGRO WEST, LLC | \$ 6,119.79 | 30-103571 | SLUDGE REMOVAL |
| 46942 | 9/24/2015 | TES00 | TESCO CONTROLS, INC | \$ 3,176.34 | 0057657IN | PLC SCADA UNIT AND FLOW METER AT WELL #4 |
| 46943 | 9/24/2015 | TID01 | TURLOCK IRRIGATION DIST. | \$ 34,646.38 | B50923 | ELECTRIC |
| 46944 | 9/24/2015 | TUR12 | TURLOCK, CITY OF | \$ 156.60 | 2016-0001 | FUEL |
| | | | | \$ 100.00 | 2016-0006 | FUEL |
| Check Total: | | | | \$ 256.60 | | |
| 46945 | 9/24/2015 | UND01 | UNDERGROUND SERVICE ALERT | \$ 162.65 | 15070215 | 811 SERVICE/USA ALERT ANNUAL MEMBERSHIP |
| 46946 | 9/24/2015 | UNI11 | UNIVAR USA, INC | \$ 572.90 | SJ690734 | SODIUM HYPOCHLORITE |
| | | | | \$ 519.38 | SJ693062 | SODIUM HYPOCHLORITE |
| Check Total: | | | | \$ 1,092.28 | | |
| 46947 | 9/24/2015 | URB00 | URBAN FUTURES INCORP | \$ 337.50 | 0915-007 | PROFESSIONAL SERVICES |
| 46948 | 9/24/2015 | USA01 | USA BLUE BOOK | \$ 689.47 | 698053 | LAB SUPPLIES & CHEMICAL PUMP REBUILT KIT |
| 46949 | 9/24/2015 | USA02 | USA MOBILITY | \$ 11.70 | B50923 | PAGER SERVICE |
| 46950 | 9/24/2015 | VIS00 | VISTA PAINT | \$ 373.19 | 318491 | STREET SIGN POLES & MISC PAINT SUPPLIES |
| 46951 | 9/24/2015 | WIL01 | CORBIN WILLITS SYSTEM | \$ 571.40 | B509151 | ENHANCEMENT & SERVICE FEE |
| Cash Account Total: | | | | \$ 171,856.69 | | |
| Total Disbursements: | | | | \$ 171,856.69 | | |



CITY OF HUGHSON AGENDA ITEM NO. 3.3 SECTION 3: CONSENT CALENDAR

Meeting Date: September 28, 2015
Subject: Approval of the Treasurer's Reports – July 2015
Presented By: John Padilla, City Treasurer

Approved By: _____

Staff Recommendation:

Review and approve the City of Hughson Treasurer's Report for July 2015.

Summary:

The City Treasurer is required to review the City's investment practices and approve the monthly Treasurer's report. Enclosed is the City of Hughson's Treasurer's Report for July 2015. As of July 2015, the City of Hughson's total cash and investment balance is \$13,483,580.09 and is in compliance with the City's investment policy. The City has sufficient cash flow to meet the City's expected expenditures for the next six months.

Background and Overview:

The Treasurer report for July 2015 reflects the most current representation of the City's funds and investments and provides a necessary outlook for both past, present, and future investment and spending habits. While investments and funds differ from time to time, it is the goal of the City to maintain safety and stability with its funds, while additionally promoting prudence and growth.

Enclosed is the City of Hughson Treasurer's Report for July 2015 along with supplementary graphs depicting the percentage of the City's total funds, a breakdown of the July 2015 Developer Impact Fees, and an additional line plot graph further demonstrating the Developer Impact Fees. This graph depicts the Developer Impact Fees' actual balance for the past five years, and continues with a projection based on the average rate of change for each fund over the next few years. After review and evaluation of the report, City staff has researched funds with a significant deficit balance and submit the following detailed explanation:

Public Facilities Development Streets Fund:

The Public Facilities Development Streets Fund currently reflects a negative balance of (\$214,718.63), reflecting a positive difference of \$302,197.42 or a 58.46% increase from the previous year. The deficit is a result of the Euclid Bridge Project, which was constructed in Fiscal Year 2006/2007, for approximately \$1.3 million. The project was completed in anticipation of funding from Developer Impact Fees collected from new development. Unfortunately, the housing market declined significantly and the new development never materialized. Once the economy strengthens and new building starts again, the City can recognize additional developer impact fees and reduce the deficit more quickly.

Water Developer Impact Fee Fund:

The Water Developer Impact Fee Fund currently reflects a negative balance of (\$304,322.82), reflecting a positive difference of \$220,662.41 or a 42.03% increase from the previous year. After extensive review, City staff discovered that the remaining deficit is attributable to settlement arrangements that were made in Fiscal Year 2008/2009 and Fiscal Year 2009/2010 for the Water Tank on Fox Road near Charles Street. The Project Cost of the Water Tower Project was \$2,400,000. During that period, the City paid out \$650,000 in settlements. This account will be in a deficit position until additional development occurs and developer impact fees are collected to cover those unanticipated settlement costs.

Based on a staff review of 2012 Water Development and Street funds, the City would need development in the Feathers Glen (42 units) and Euclid South (69 units) subdivisions, or about 110 units to be built to see a positive balance in the Water and Street Development funds. These units reflect the areas that are most likely to see development. Currently, 19 units have been developed in the remaining lots of the Fontana Ranch North subdivision, 10 of which are pending final status.

Transportation Capital Project Fund:

The Transportation Capital Project Fund currently reflects a negative balance of (\$303,696.04), reflecting a negative difference of \$11,586.69 or a 3.97% decrease from the previous year. As the City continues to produce transportation and street projects, this fund will likely continue to show a negative balance. Projects such as 5th Street, Pine Street, and Tully Road are pending state and grant reimbursement. City Staff will continue to monitor and report the status of these reimbursements as the funds become available.

Fiscal Impact:

As of July 2015, the total cash and investments balance for the City of Hughson is \$13,483,580.09. This compares to July 2014's total cash and investments balance of \$9,120,530.86, demonstrating a \$4,363,049.23 or a 47.84% increase.

**City of Hughson
Treasurer's Report
July 2015**

| | MONEY MARKET | GENERAL | REDEVELOPMENT** | TOTAL |
|-----------------------------------|-------------------------|----------------------|------------------------|-------------------------|
| Bank Statement Totals | \$ 10,075,817.03 | \$ 1,132,308.58 | \$ - | \$ 11,208,125.61 |
| Adjustment-Direct Deposit Payroll | \$ - | | | \$ - |
| Outstanding Deposits + | \$ - | \$ - | \$ - | \$ - |
| Outstanding Checks/transfers - | \$ 58,612.50 | \$ (333,398.09) | \$ - | \$ (274,785.59) |
| ADJUSTED TOTAL | \$ 10,134,429.53 | \$ 798,910.49 | \$ 206,387.20 | \$ 10,933,340.02 |
| Investments: Various | | | | \$ 1,031,511.13 |
| Multi-Bank WWTP | | | | \$ 1,440,011.73 |
| Investments: L.A.I.F. | | \$ 39,421.29 | \$ 39,295.92 | \$ 78,717.21 |

TOTAL CASH & INVESTMENTS **\$ 13,483,580.09**

| Books - All Funds | July 2014 | July 2015 | Difference |
|--|---------------------|----------------------|-------------------|
| 2 Water/Sewer Deposit | 37,031.24 | 55,213.60 | 18,182.36 |
| 4 Sale of Vehicle | 0.00 | 0.00 | 0.00 |
| 5 AB939 Source Reduction | 0.00 | 0.00 | 0.00 |
| 7 Public Safety Augmentation | 0.00 | 0.00 | 0.00 |
| 8 Vehicle Abatement | 14,806.24 | 13,874.55 | -931.69 |
| 11 Traffic Congestion Fund | 81,913.17 | 144,298.34 | 62,385.17 |
| 13 Redevelopment - Debt Service | 180,271.58 | -6,195.50 | -186,467.08 |
| 17 Federal Officer Grant | 6,620.00 | 6,620.00 | 0.00 |
| 18 Public Safety Realignment | 17,871.85 | 28,476.76 | 10,604.91 |
| 19 Asset Forfeiture | 6,995.43 | 6,995.43 | 0.00 |
| 25 Gas Tax 2106 | -10,051.48 | -7,784.71 | 2,266.77 |
| 30 Gas Tax 2107 | 13,971.01 | 17,837.88 | 3,866.87 |
| 31 Gas Tax 2105 | 21,293.80 | 37,341.76 | 16,047.96 |
| 35 Gas Tax 2107.5 | 1,672.14 | 1,672.14 | 0.00 |
| 40 General Fund | 968,193.13 | 1,606,109.79 | 637,916.66 |
| 401 General Fund Contingency Reserve | 672,995.41 | 674,083.99 | 1,088.58 |
| 43 Trench Cut | 75,611.40 | 75,845.00 | 233.60 |
| 48 Senior Community Center | 12,109.71 | 9,575.35 | -2,534.36 |
| 49 IT Reserve | 54,476.41 | 77,192.31 | 22,715.90 |
| 50 U.S.F. Resource Com. Center | 226.66 | 1,692.06 | 1,465.40 |
| 51 Self-Insurance | 73,703.49 | 73,703.49 | 0.00 |
| 53 SLESF (Supplemental Law Enforceme | 35,284.97 | 11,277.65 | -24,007.32 |
| 54 Park Project | 445,128.51 | 553,987.66 | 108,859.15 |
| 60 Sewer O & M | 2,335,388.51 | 2,502,823.53 | 167,435.02 |
| 61 Sewer Fixed Asset Replacement | 2,333,553.97 | 2,784,965.86 | 451,411.89 |
| 66 WWTP Expansion 2008 | 197,944.09 | 8,144.71 | -189,799.38 |
| 69 LTF Non Motoriz | 0.00 | 5,208.00 | 5,208.00 |
| 70 Local Transportation | 239,832.68 | 261,326.63 | 21,493.95 |
| 71 Transportation | -292,109.35 | -303,696.04 | -11,586.69 |
| 100/200 LLD's and BAD's | 65,639.94 | 165,538.01 | 99,898.07 |
| 80 Water O & M | 271,608.23 | 300,254.14 | 28,645.91 |
| 82 Water Fixed Asset Replacement | 519,682.32 | 729,755.18 | 210,072.86 |
| 88 PW CDBG Street Project | -56,269.24 | 53,559.39 | 109,828.63 |
| 80 Water Reserve-USDA GRANT | 21,524.50 | 21,524.50 | 0.00 |
| 90 Garbage/Refuse | 143,435.73 | 172,558.96 | 29,123.23 |
| 91 Misc. Grants | 0.00 | 0.00 | 0.00 |
| 92 98-EDBG-605 Small Bus. Loans | 93,595.60 | 93,595.60 | 0.00 |
| 94 96-EDBG-438 Grant | 403.43 | 403.43 | 0.00 |
| 95 94-STBG-799 Grant | 158,641.01 | 160,246.24 | 1,605.23 |
| 96 HOME Program Grant (FTHB) | 35,041.19 | 35,041.19 | 0.00 |
| 97 96-STBG-1013 Grant | 137,193.79 | 195,672.71 | 58,478.92 |
| 98 HOME Rehabilitation Fund | 0.00 | 40,000.00 | 40,000.00 |
| Developer Impact Fees *** | 205,299.79 | 2,874,840.50 | 2,669,540.71 |
| TOTAL ALL FUNDS: | 9,120,530.86 | 13,483,580.09 | 4,363,049.23 |
| Break Down of Impact Fees *** | | | |
| 10 Storm Drain | 240,963.29 | 363,196.95 | 122,233.66 |
| 20 Community Enhancement | 59,704.91 | 94,789.16 | 35,084.25 |
| 41 Public Facilities Development | 1,516,330.53 | 1,441,096.61 | -75,233.72 |
| 42 Public Facilities Development-Streets | -516,916.05 | -214,718.63 | 302,197.42 |
| 55 Parks DIF | 341,826.04 | 417,838.49 | 76,012.45 |
| 62 Sewer Developer Impact Fees | 933,376.30 | 1,076,960.54 | 143,584.24 |
| 81 Water Developer Impact Fees | -524,985.23 | -304,322.82 | 220,662.41 |
| Break Down of Impact Fees *** | 2,050,299.79 | 2,874,840.50 | 824,540.71 |

I hereby certify that the investment activity for this reporting period conforms with the Investment Policy adopted by the Hughson City Council, and the California Government Code Section 53601. I also certify that there are adequate funds available to meet the City of Hughson's budgeted and actual expenditures for the next six months.

**Cash Held by Fiscal Agent-2006 Bond Issue

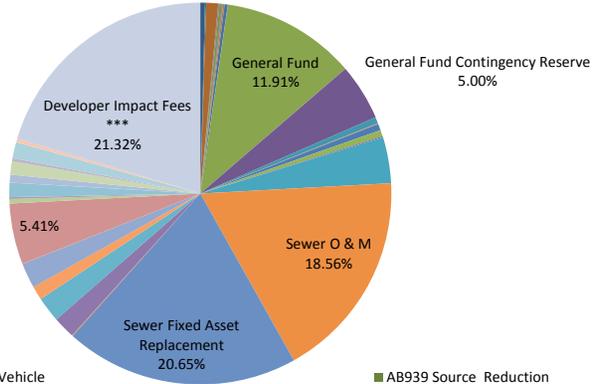
John Padilla, Treasurer

Date

Treasurer's Report - Charts and Graphs July 2015

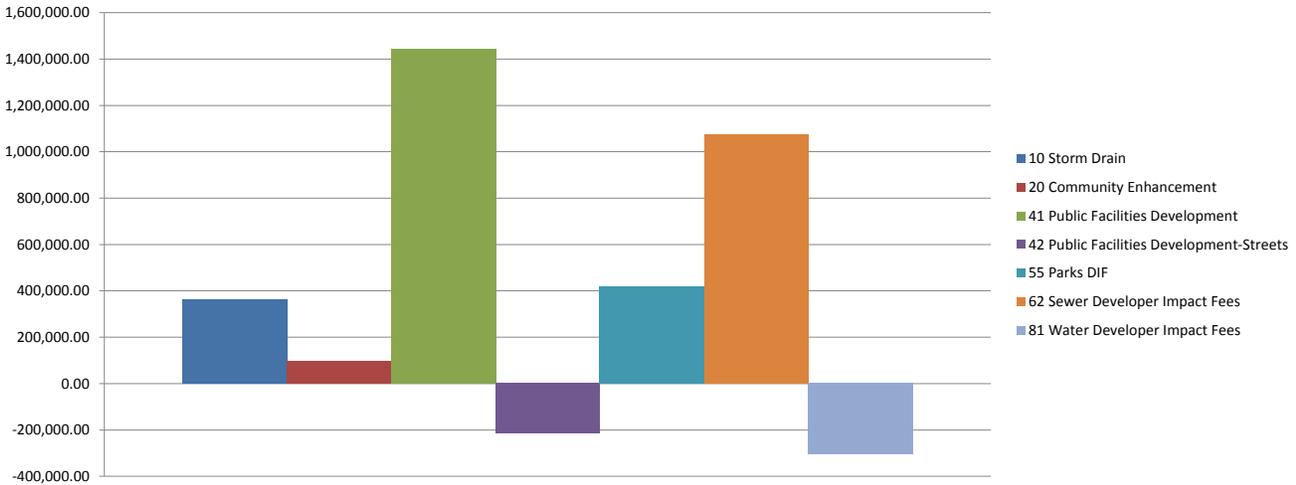
Percentage of all Funds for July 2015

Note:
Data displayed represents largest percentage of City funds.
All other funds represent less than 5% of the City's total Cash and Investments.



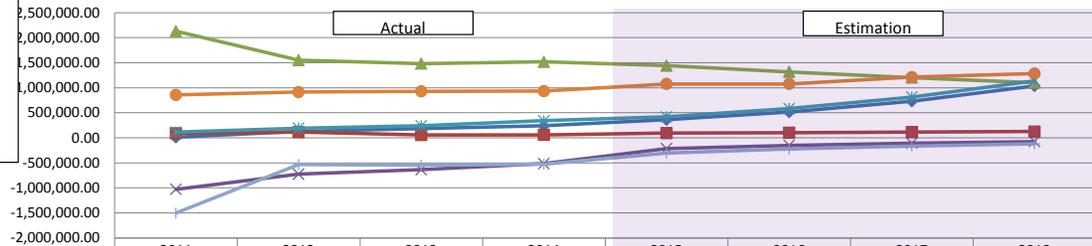
- Water/Sewer Deposit
- Public Safety Augmentation
- Redevelopment - Debt Service
- Asset Forfeiture
- Gas Tax 2105
- General Fund Contingency Reserve
- IT Reserve
- SLESF (Supplemental Law Enforcement Services Fund)
- Sewer Fixed Asset Replacement
- Local Transportation
- Water O & M
- Water Reserve-USDA GRANT
- 98-EDBG-605 Small Bus. Loans
- HOME Program Grant (FTHB)
- Sale of Vehicle
- Vehicle Abatement
- Federal Officer Grant
- Gas Tax 2106
- Gas Tax 2107.5
- Trench Cut
- U.S.F. Resource Com. Center
- Park Project
- WWTP Expansion 2008
- Transportation
- Water Fixed Asset Replacement
- Garbage/Refuse
- 96-EDBG-438 Grant
- 96-STBG-1013 Grant
- AB939 Source Reduction
- Traffic Congestion Fund
- Public Safety Realignment
- Gas Tax 2107
- General Fund
- Senior Community Center
- Self-Insurance
- Sewer O & M
- LTF Non Motoriz
- LLD's and BAD's
- PW CDBG Street Project
- Misc. Grants
- 94-STBG-799 Grant
- HOME Rehabilitation Fund

July 2015 Breakdown of Developer Impact Fees



5 Year Trend & Estimate for Developer Impact Fees for the Month of July

Note:
Calculated estimations are based on each fund's average annual rate of change.



| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Storm Drain | 12,331.27 | 127,763.29 | 183,818.25 | 240,963.29 | 363,196.95 | 515,363.10 | 731,281.27 | 1,037,661.20 |
| Community Enhancement | 90,793.35 | 112,859.53 | 55,639.77 | 59,704.91 | 94,789.16 | 104,190.51 | 114,524.31 | 125,883.03 |
| Public Facilities Development | 2,131,657.46 | 1,551,157.94 | 1,482,137.95 | 1,516,330.53 | 1,441,096.81 | 1,317,391.35 | 1,204,304.92 | 1,100,925.96 |
| Public Facilities Development-Streets | -1,027,484.33 | -723,835.33 | -636,331.33 | -516,916.05 | -214,718.63 | (150,909.93) | (106,063.49) | (74,544.23) |
| Parks DIF | 113,554.04 | 193,015.21 | 240,055.97 | 341,826.04 | 417,838.49 | 583,907.91 | 815,981.44 | 1,140,292.32 |
| Sewer Developer Impact Fees | 855,796.83 | 912,737.86 | 929,012.39 | 933,376.30 | 1,076,960.54 | 1,076,961.60 | 1,211,726.82 | 1,285,307.93 |
| Water Developer Impact Fees | -1,501,552.40 | -535,212.38 | -548,418.40 | -524,985.23 | -304,322.82 | (222,008.36) | (161,958.64) | (118,151.42) |



CITY OF HUGHSON AGENDA ITEM NO. 3.4

SECTION 3: CONSENT CALENDAR

Meeting Date: September 28, 2015
Subject: Appointment of Alan F. McFadon to the Parks and Recreation Commission
Enclosed: Application from Mr. McFadon
Presented By: Marilyn Castaneda, Management Intern

Approval: _____

Staff Recommendation:

Appoint Alan F. McFadon to the Parks and Recreation Commission.

Background and Overview:

At the June 23, 2014 meeting, the City Council approved the reappointment of Todd Brownell, Billy Redding, Raymond Lopez, and Juan Hernandez-Codallos to the Parks and Recreation Commission. However, Commissioner Hernandez-Codallos unexpectedly resigned, leaving two vacant seats.

At the September 24, 2014 meeting, the City Council approved the appointment of Matt House to the Parks and Recreation Commission filling the vacancy left by Commissioner Hernandez-Codallos. On October 27, 2014, the City Council approved the appointment of Tamara Thomas to the Parks and Recreation Commission filling the vacancy left by Commissioner Brownell who resigned on October 14, 2014.

Earlier this year, Commissioner Lopez also resigned from the Parks and Recreation Commission. City staff posted the vacancy until filled on the City website. Pursuant to Hughson Municipal Code 2.14.040, the Mayor and Council have the right to nominate qualified citizens to the Commission.

At this time, staff has received only one application from resident Alan F. McFadon. If appointed to the Commission, he would be seated in former Commissioner Raymond Lopez seat with his term expiring on December 31, 2016.

Fiscal Impact:

Per the Hughson Municipal Code, Parks and Recreation Commissioners are not compensated.



CITY OF HUGHSON
2015
RECEIVED

**PARKS AND RECREATION COMMISSION
APPLICATION**

**DELIVER TO: CITY CLERK'S OFFICE, CITY HALL, 7018 PINE STREET, HUGHSON
OR MAIL TO: CITY CLERK, P.O. BOX 9, HUGHSON, CA 95326**

DEADLINE FOR FILING: OPEN UNTIL FILLED

NAME: Alan F. McFadon
HOME ADDRESS: 6740 Metcalf Way ZIP CODE: 95326
E-MAIL: Alan.McFadon@StanCounty.com PHONE NUMBER: 652-1719
LIVE WITHIN CITY LIMITS? YES NO REGISTERED VOTER? YES NO
ARE YOU RELATED TO CURRENT CITY EMPLOYEE? No IF YES, PERSON'S NAME AND
RELATIONSHIP: _____
LENGTH OF TIME AT: RESIDENCE 10yrs IN HUGHSON 10yrs IN COUNTY 23yrs
CURRENT OCCUPATION: 911 Shift Manager (Stanislaus Regional 911)
BUSINESS ADDRESS 3705 Oakdale Road, Modesto PHONE: 552-3900
EDUCATION (Highest level of education, degree(s), etc.): BS / Public Administration

EMPLOYMENT HIGHLIGHTS: I represent all California 911 dispatchers to the Commission
on Police Officer's Standards and Training (POST) with a seat on the POST Advisory
Council.

PRIOR PUBLIC SERVICE (If any): Hughson Planning Commission (prior Chair)

PRESENT AND PAST COMMUNITY ACTIVITIES (DO NOT LIST PARTISAN POLITICAL
ACTIVITIES): Hughson Baseball; past coach

WHAT ARE THE MOST IMPORTANT ISSUES FACING HUGHSON (Relative to the position being
sought): Maintaining our parks and activities so support the safe and healthy lifestyle
that the City of Hughson offers it's residents.

SIGNATURE: *Alan F. McFadon* DATE: 9-15-15



CITY OF HUGHSON AGENDA ITEM NO. 3.5

SECTION 3: CONSENT CALENDAR

Meeting Date: September 28, 2015
Subject: Appointment of Councilmember Jill Silva as the City Representative to the Stanislaus Council of Governments Policy Board and Mayor Matt Beekman as the Alternate
Presented By: Marilyn Castaneda, Management Intern

Approval: _____

Staff Recommendation:

Appoint Councilmember Jill Silva as the City Representative to the Stanislaus Council of Governments Policy Board and Mayor Matt Beekman as the Alternate.

Background and Overview:

The City Council's participation in various Boards and Committees within the City and Stanislaus County is very beneficial to the City of Hughson.

To keep on track of the boards and committees and to ensure continued Council and City involvement, the City Council reviews the Council Committee appointments annually at the beginning of the year. Modifications to the assignments typically conducted in January of each year are considered on an as needed basis.

Mayor Matt Beekman currently serves as the primary member of the Stanislaus Council of Governments Policy Board and Councilmember Jill Silva as the alternate. Mayor Beekman directed City staff to institute the change. Upon City Council approval of staff's recommendation, Councilmember Silva will be the primary representative for the City of Hughson on the Stanislaus Council of Governments Policy Board. Mayor Beekman will serve as the alternate.

This appointment will remain effective through the end of the calendar year and will be revisited during the annual review.

Stanislaus Council of Government

StanCOG is the Metropolitan Planning Organization (MPO) for the Stanislaus Region as designated by the Federal government, and the Regional Transportation Planning Agency (RTPA) as designated by the State of California. A MPO/RTPA is

a public organization that works with local governments and citizens in its region by dealing with issues and needs that cross city and county boundaries.

StanCOG is a council of city and county governments comprised of the cities of Ceres, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, Turlock and Waterford, and the County of Stanislaus, that was established in 1971 by a Joint Powers Agreement (JPA) to address regional transportation issues.

It is responsible for developing and updating a variety of transportation plans and for allocating the Federal and State funds to implement them. While regional transportation planning is its primary role, StanCOG is also involved in other issues that affect the entire region such as air quality.

StanCOG is governed by a decision-making body called the Policy Board. It is comprised of sixteen elected officials from StanCOG member agencies. This includes five representatives from the Stanislaus County Board of Supervisors, three representatives from the Modesto City Council, and one representative from each of the other eight City Councils in Stanislaus County. A California Department of Transportation (Caltrans) representative serves as an "ex-officio" member on the Policy Board.

Fiscal Impact:

There is no fiscal impact associated with this action.



CITY OF HUGHSON AGENDA ITEM NO. 5.1

SECTION 5: PUBLIC HEARING

Meeting Date: September 28, 2015
Subject: Consideration to Adopt Ordinance No. 2015-11, Adopting the Dollar General Development Agreement
Enclosures: Ordinance No. 2015-11
Draft Development Agreement
Presented By: Jaylen French, Community Development Director
Approved By: _____

Staff Recommendation:

Introduce and waive the first reading of Ordinance No. 2015-11, an Ordinance of the City Council of the City of Hughson adopting the Development Agreement by and between the City of Hughson and DG-Hughson, CA-1-UT, LLC. (Dollar General / Embree Group) relating to the development of the Dollar General retail store at Hughson Avenue and 4th Street.

Background and Overview:

To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic costs of development, the legislature of the State of California adopted Section 65864 of the Government Code, the "Development Agreement Statute", which authorizes the City to enter into a development agreement with any person/entity having a legal or equitable interest in real property providing for the development of such property and establishing certain development rights therein.

Further, Hughson Ordinance No. 90-59, of the City of Hughson approved the ability to enter into, or amend Development Agreements with the owner and/or developer of real property within the City.

Dollar General, through the Embree Group, the "developer" has applied for, and the City has approved, all necessary land use approvals, entitlements and allocations that will allow the development of a 9,100 square foot retail store on Hughson Avenue at the terminus of 4th Street without need to obtain further discretionary approvals.

Development of the project in accordance with the project approvals will provide for orderly growth consistent with the goals, policies and other provisions of the City's General Plan. This Development Agreement will eliminate uncertainty in the planning process and ensure funding for and progressive installation of necessary and desired public infrastructure and improvements.

In exchange for these benefits to the City, together with the public benefit that will result from the development of the project pursuant to this Agreement, the developer desires to receive the assurance that it may proceed with the project in accordance with the prior project approvals, this agreement and ordinances, resolutions, policies and regulations of the City currently in effect, without any unfair or unforeseen changes to fees or regulations.

Discussion:

This agreement primarily addresses the development impact fees required for all development within the City. The project site, at the terminus of 4th Street on Hughson Avenue, is an infill site—meaning there is development on all four sides; and a redevelopment site—meaning three buildings, containing businesses, were on site in the past. The City's current Development Impact Fee Nexus Study from August 2006 is designed to recover the cost of building the infrastructure necessary to service new development. In regards to City services, the infrastructure necessary to serve the development is currently in place; further, three businesses were utilizing these services and paying towards the maintenance and operations of this infrastructure for many years.

Through City staff's research, it was determined that the City's adopted Development Impact Fees could not be modified to accommodate infill or redevelopment projects due to the requirements of Proposition 218 and the adopted Development Impact Fee Nexus Study, 2006. Therefore, the City and the Developer agreed to structure a Development Agreement.

The Development Agreement identifies the Development Impact Fees to be paid by the Developer, which are as follows:

Public Facility Fee: \$16,325.40

This is the full charge for a proposed 9,100 square foot commercial building

Storm Drain Fee: \$19,860.06

This is two-thirds (2/3) charge for a proposed 9,100 square foot commercial building. The three businesses formerly on the site total approximately 3,000+ square feet. The Storm Drain fee is designed to recover the costs associated with the provision and expansion of storm drainage infrastructure. Although no new offsite infrastructure is required, the proposed building is approximately two-thirds larger than the former three buildings on site and in consideration of the fact that the Storm Drain fee is based on square feet and the increased square footage has a direct impact

on the service, meaning there is less impervious surface, it is appropriate to charge the additional amount.

Sewer Fee: \$0.00

The Sewer impact fee is designed to recover the costs of building the infrastructure necessary to extend sewer service to new development. Although, the sewer fee is also based on square footage, the additional square footage does not directly impact the service. The three former businesses had at least three restrooms, whereas the proposed Dollar General building will have two (one men's and one women's restroom), therefore, the overall impact to the sewer system will likely decrease.

Water Fee: \$0.00

The Water impact fee is assessed in order to recover the costs of building the infrastructure necessary to extend water service to new development. Although, the water fee is based on square footage, the additional square footage does not directly impact the service. It is estimated that the water use of the three former businesses would roughly be the same amount water compared with the proposed Dollar General retail store.

Street Fee: \$0.00

The Street improvement impact fee is assessed to recover the costs associated with providing street and traffic improvements to new development. Although, the street fee is based on square footage of the building, the additional square footage does not have a direct impact on the existing street system, which has ample capacity to handle any increase in traffic.

In addition, as part of the proposed project, the Developer is installing street and traffic improvements to the intersection at Hughson Avenue and 4th Street.

Community Enhancement Fee: \$5,396.30

This is the full charge for a proposed 9,100 square foot commercial building.

Fiscal Impact:

As described in detail above, the Dollar General Development Agreement contains \$41,581.76 in development impact fees which will be deposited in the corresponding funds upon receipt.

**CITY OF HUGHSON
CITY COUNCIL
ORDINANCE NO. 2015-11**

**AN UNCODIFIED ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
HUGHSON ADOPTING THE DEVELOPMENT AGREEMENT BY AND
BETWEEN THE CITY OF HUGHSON AND DG-HUGHSON, CA-1-UT, LLC.
(DOLLAR GENERAL / EMBREE ASSET GROUP)**

WHEREAS, pursuant to Hughson Ordinance No. 90-59, the City of Hughson (“City”) may enter into, or amend a Development Agreement with the owner and/or developer of real property within the City; and

WHEREAS, Dollar General, through the Embree Asset Group, hereinafter referred to as the “Developer”, has applied for, and the City has approved, all necessary land use approvals, entitlements and allocations that will allow the development of a 9,100 square foot retail store on Hughson Avenue without the need to obtain further discretionary approvals; and

WHEREAS, the City’s current Development Impact Fee Nexus Study, 2006, is designed to recover the cost of building the infrastructure necessary to service new development, not infill or redevelopment sites; and

WHEREAS, the Developer has requested a Development Agreement to address Development Impact Fees as it relates to new development compared to infill/redevelopment; and

WHEREAS, the City and Developer have negotiated a Development Agreement by and between the City of Hughson and DG-Hughson, CA-1-UT. (Dollar General / Embree Asset Group) (hereinafter “Development Agreement”), a copy of which is attached as Attachment 1; and

WHEREAS, the City Planning Commission on September 15, 2015, determined that the provisions of the Development Agreement are consistent with the City’s General Plan and all other applicable plans, policies, and regulations of the City; and

WHEREAS, the Council City desires to approve the agreement and enact it as an uncodified ordinance and upon adoption authorize the City Manager to execute the Development Agreement.

**NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF HUGHSON DOES
ORDAIN AS FOLLOWS:**

Section 1. The Development Agreement attached as Attachment 1 and incorporated by this reference as though fully set forth herein is hereby enacted as an uncodified ordinance.

Section 2. 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 toward 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 3. If any provision of this ordinance or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. The city council hereby declares that it would have adopted this ordinance irrespective of the validity of any particular portion thereof.

Section 4. This ordinance shall become effective thirty (30) days after its final passage.

Section 5. Within fifteen (15) days after its final passage, the City Clerk shall cause this ordinance to be posted in full accordance with Section 36933 of the Government Code.

The foregoing ordinance was introduced and the title thereof read at the regular meeting of the City Council of the City of Hughson held on September 28, 2015, and by a unanimous vote of the council members present, further reading was waived.

On motion of councilperson _____, seconded by councilperson _____, the second reading of the foregoing ordinance was waived and this ordinance was duly passed by the City Council of the Hughson City Council at a regular meeting thereof held on October 12, 2015 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

MATT BEEKMAN, Mayor

ATTEST:

DOMINIQUE SPINALE, City Clerk

RECORDING REQUESTED BY:

CITY MANAGER
CITY OF HUGHSON

AND WHEN RECORDED MAIL TO:

CITY MANAGER
CITY OF HUGHSON
P. O. BOX 9
HUGHSON, CA 95326

**DEVELOPMENT AGREEMENT BY AND BETWEEN THE
CITY OF HUGHSON AND
DG-HUGHSON, CA-1-UT, LLC.
(DOLLAR GENERAL / EMBREE ASSET GROUP, INC.)**

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**DEVELOPMENT AGREEMENT BY AND BETWEEN THE
CITY OF HUGHSON AND DG-HUGHSON, CA-1-UT, LLC.
(DOLLAR GENERAL / EMBREE ASSET GROUP, INC.)**

THIS DEVELOPMENT AGREEMENT (hereinafter the "Agreement") is entered into this ___ day of _____, 2015, by and between the CITY OF HUGHSON, a municipal corporation organized and existing under the laws of the State of California (hereinafter the "City"), and DG-HUGHSON, CA-1-UT, LLC., a Utah corporation (hereinafter called the "Developer"), pursuant to the authority of Section 65864 et seq. of the Government Code of the State of California. Developer and City are, from time to time, hereinafter referred to individually as a "party" and collectively as the "parties."

I.
RECITALS

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic costs of development, the Legislature of the State of California adopted Section 65864 et seq. of the Government Code (the "Development Agreement Statute"), which authorizes the City to enter into a development agreement with any person/entity having a legal or equitable interest in real property providing for the development of such property and establishing certain development rights therein.

B. Pursuant to Government Code Section 65865(c), the City has adopted rules and regulations establishing procedures and requirements for consideration of development agreements and this Development Agreement has been processed, considered and executed in accordance with those City rules and regulations.

C. DG-Hughson, CA-1-UT, LLC., is a Utah corporation.

D. Embree Asset Group, Inc., owns fee title to the property located in the City as diagrammed in Exhibit "A" attached hereto, and more particularly described in Exhibit "B" attached hereto and incorporated herein (referred to as the "Project Site"). Developer represents that it has an equitable or a legal interest in the Project Site and that all other persons holding legal or equitable interests in the Project Site are to be bound by the Agreement.

E. It is the intent of Developer to develop the Project Site, in accordance with the Conditions of Approval for the Project Site, attached hereto as Exhibit "C", and the terms and conditions of this Agreement. Such development of the Project Site is hereinafter called the "Project".

F. The Project Site is designated in the City's General Plan as Downtown Commercial and is zoned C-2 (General Commercial).

G. The Developer has applied for, and the City has approved, various land use approvals, entitlements and allocations relating to the development of the Project and Project Site that will allow Developer to build the Project without need to obtain further discretionary approvals. These actions are collectively referred to as "Project Approvals" and include, without limitation, the following: the Conditions of Approval thereto, current zoning of the Project Site, and the current General Plan designation of the Project Site.

H. The Project Approvals and this Agreement have all been properly reviewed and assessed by the City pursuant to the California Environmental Quality Act, California Public Resources Code section 21000 et seq. ("CEQA"), and the "CEQA Guidelines," 14 California Administrative Code section 15000 et seq., promulgated thereunder.

I. Development of the Project Site in accordance with the Project Approvals will provide for orderly growth consistent with the goals, policies, and other provisions of the City's General Plan.

J. On September 15, 2015, following a duly noticed public hearing, the Planning Commission recommended that the City Council approve this Agreement.

K. On _____, 2015, following a duly noticed public hearing, the City Council introduced Ordinance No. __ - __, approving this Agreement. On _____, 2015, the City Council adopted Ordinance No. __ - __, approving this Agreement, made appropriate findings that the provisions of this Agreement are consistent with the City's General Plan as well as all other applicable plans, policies and regulations of the City and authorized execution of this Agreement. In adopting Ordinance No. __ - __, the City Council also determined that the environmental documentation for the Project adequately addressed the environmental review of each of the Project Approvals and of this Agreement. A copy of the City Council's Ordinance No. __ - __ is attached hereto as Exhibit "D".

L. For the reasons recited herein, Developer and the City have determined that the Project is the type of development for which this Agreement is appropriate. This Agreement will eliminate uncertainty in planning and provide for the orderly development of the Project Site; ensure funding for, and progressive installation of, necessary public improvements; provide funding for traffic improvements, and community facilities, and efforts to combat homelessness; provide for public services appropriate to the development of the Project; ensure attainment of the maximum effective utilization of resources within the City at the least economic cost to its citizens; and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted.

M. In exchange for these benefits to the City, together with the public benefits that will result from the development of the Project and Project Site pursuant to this Agreement and the Project Approvals, Developer desires to receive the assurance that it may proceed with the Project in accordance with the Project Approvals, this Agreement and the ordinances, resolutions, policies and regulations of the City in effect on the Effective Date of this Agreement, pursuant to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the promises, covenants and provisions set forth herein, the parties hereto agree as follows:

II.
AGREEMENT

Section 1. General Provisions.

A. Incorporation of Recitals. The Recitals set forth above, the introductory paragraph preceding the Recitals, and all defined terms set forth in both, are hereby incorporated into this Agreement as if set forth herein in full.

B. Covenants. The provisions of this Agreement shall constitute covenants or servitudes which shall run with the land comprising the Project Site and the burdens and benefits hereof shall bind and inure to the benefit of all estates and interests in the Project and Project Site, or any portion thereof, and all successors in interest, transferees or assignees to the parties hereto, as further set forth in Section 14 of this Agreement.

C. Effective Date. This Agreement shall become effective upon the thirtieth (30th) day following the adoption by the City Council of Ordinance No. __ - __ approving this Agreement, or the date upon which this Agreement is executed by Developer and by the City, whichever is later (the "Effective Date").

D. Term. The term of this Agreement shall commence upon the Effective Date and shall extend until the second (2nd) anniversary of the Effective Date or until the "Project Buildout" as hereinafter defined, whichever is earlier, unless said term is otherwise modified by circumstances set forth in this Agreement or by the mutual consent of the parties hereto. For purposes of this Agreement, "Project Buildout" shall mean the date on which a Certificate of Occupancy (or comparable instrument) is issued for the last Project improvement or other structure to be constructed pursuant to the development plans. Following the expiration of said term, this Agreement shall be deemed terminated and of no further force and effect, except as may be specified otherwise herein.

Section 2. Definitions.

In this Agreement, unless the context otherwise requires: "City" shall have that meaning set forth in the introductory paragraph preceding the Recitals.

A. "Development Agreement Statute" shall have that meaning set forth in Recital paragraph A of this Agreement.

B. "Effective Date" shall have that meaning set forth in Section 1.C. of this Agreement.

C. "Project" shall have that meaning set forth in Recital paragraph E of this Agreement.

D. "Project Site" shall have that meaning set forth in Recital paragraph D of this Agreement.

E. "Developer" shall have that meaning set forth in the introductory paragraph preceding the Recitals and in Recital paragraph C of this Agreement and includes the Developer's successors-in-interest.

F. "Project Approvals" shall have that meaning set forth in Recital paragraph G of this Agreement.

Section 3. Obligations of Developer.

A. In General. In consideration of City entering into this Agreement, Developer agrees that it will comply with this Agreement, with all Project Approvals and the Conditions of Approval. The parties acknowledge that the execution of this Agreement by City is a material consideration for both Developer's acceptance of, and agreement to comply with, the terms and conditions of this Agreement and the Project Approvals, or in the Conditions of Approval as specifically set forth herein, and Developer's waiver of any legal or equitable rights or remedies it might allege to have in a lawsuit challenging the terms and conditions of this Agreement and/or the Project Approvals. Developer shall pay those fees, make those dedications and otherwise be subject to those conditions/exactions expressly prescribed in this Agreement and in the Project Approvals, or in the Conditions of Approval.

B. Conditions of Approval. Developer hereby agrees to complete and comply with the Conditions of Approval, attached here to as Exhibit "C" which are a part of the Project Approvals, except as such Conditions of Approval are modified and/or clarified herein.

C. It is understood and agreed that whenever approval of the City Engineer is required in the Project Approvals, Conditions of Approval, or this Agreement, the approval of the City Community Development Director shall also be required. Such approvals shall not be unreasonably withheld.

D. Fees. Fees to be paid by Developer, are and shall be, as specified in Exhibit D attached hereto and incorporated herein. Developer shall also pay fees expressly specified in this Agreement or the Project Approval, such as, but not limited to, those specified in Section 4.C.ii, of this Agreement. Such fees shall be collected at the time of building permit issuance.

Section 4. Development of Project and Project Site.

A. General Permitted Uses and Subsequent Approvals. The permitted uses of the Project Site; the density and intensity of use; the maximum height, bulk and size of proposed buildings; provisions for reservation or dedication of land for public purposes and location of public improvements; location of public utilities; and other terms and conditions of development applicable to the Project and Project Site, shall be those set forth in this Agreement, the Project Approvals and amendments thereto.

B. Development Criteria. The following specific conditions govern the Project and use of the Project Site and supersede any conflicting City regulations:

i. Permitted Uses. Permitted uses of the Project Site are limited to those uses allowed by the Project Approvals.

ii. Maximum Density or Intensity of Use. The minimum density/intensity of use is that shown and in the Project Approvals.

iii. Site Development Standards. The site development standards [for example, building setbacks, lot coverage limitations, parking standards, etc.] for the Project are in accordance with City and State codes now in effect and shall be consistent with those set forth in the Project Approvals.

C. Rules, Regulations and Official Policies.

i. Effective Standards. The rules, regulations, standards, official policies and conditions governing the permitted uses of the Project and/or Project Site, including those addressing the density and intensity of use, design, improvement, construction and building standards, occupancy and specifications applicable to the Project and/or Project Site and all on-site and off-site improvements and appurtenances in connection therewith, shall be those in force upon the Effective Date of this Agreement, except as otherwise provided by this Agreement.

ii. Notwithstanding any Project Approvals to the contrary, the City may charge, and Developer shall pay all ministerial fees (for example, processing and inspection fees), collected at the building permit stage or other approval stage for subsequent site specific approvals, building permits and other similar permits which are in force and effect on a City-wide basis at the time application is submitted for such permits. Such ministerial fees do not include impact fees or other discretionary fees collected at the building permit stage or other approval stage. Such ministerial fees and charges shall be no more than the estimated reasonable cost to the City for performing the work for which the particular fee or charge is paid pursuant to Government Code Sections 66014 et seq.

D. Police Power and Taxing Power. The City, through the exercise of either its police power or its taxing power, shall not establish, enact or impose any additional conditions, dedications, fees, general taxes, special taxes and other exactions, policies, standards, laws or regulations which directly relate to the development of the Project and/or Project Site except as provided in the Project Approvals and/or this Agreement. However, the conditions, dedications, fees, general taxes, special taxes and exactions, policies, standards, laws and regulations applicable to the Project and/or Project Site as provided in this Agreement and in the Project Approvals shall be subject to modification or re-negotiation by City as a result of any amendment to the Project Approvals or this Agreement. Subsequent discretionary Project approvals, discretionary actions or other discretionary entitlements, if needed, are not subject to the vesting protections provided by this Agreement and are subject to all applicable City rules, regulations, standards, official policies and conditions in existence at the time such subsequent approval, action or other entitlement is granted by the City.

E. Changes in State, Federal and Local Laws. As provided in Government Code Section 65869.5, and notwithstanding any other provision of this Agreement, this Agreement shall not preclude the application to the Project and/or Project Site of changes in City laws, regulations, plans or policies, to the extent that such changes are (1) specifically mandated and required by changes in state or Federal laws or regulations; or (2) in compliance with Government Code §§ 66498.1 et seq. In the event such changes in Federal, State or local laws

prevent or preclude compliance with one or more provisions of this Agreement, such provisions of the Agreement shall be modified or suspended as may be necessary to comply with such Federal, State or local laws and City and Developer shall take such action as may be required pursuant to Section 8.D (Enforced Delay; Extension of Time of Performance) and Section 6 (Cooperation-Implementation) of this Agreement.

Section 5. Amendment.

A. Amendment of Agreement. This Agreement may be amended from time to time in whole or in part by mutual consent of the original parties or their successors in interest, in accordance with the provisions of Government Code Sections 65867, 65867.5 and 65868, provided that:

i. Due Process Exemptions. Any amendment to this Agreement which does not relate to the term, permitted uses, provisions for reservation and dedication of land, or conditions, terms, restrictions and requirements relating to subsequent discretionary actions, monetary contributions by Developer or any conditions or covenants relating to the Project or use of the Project Site shall not require notice or public hearing before the parties may execute an amendment hereto; and

ii. Amendment Exemptions. Any administrative amendment of the Project Approvals, or other related approvals or entitlements pursuant to Section 5.B.1. of this Agreement by either the Developer, or the City, the City Manager or his designee, whichever is applicable, shall not require an amendment to this Agreement.

Section 6. Cooperation-Implementation.

A. Processing. Upon satisfactory completion by Developer of all required preliminary actions and payments of appropriate processing fees, if any, City shall promptly commence and diligently proceed to complete all steps required or necessary for the implementation of this Agreement and the development by Developer of the Project and Project Site in accordance with this Agreement and the Project Approvals provided Developer submits required information and applications in accordance with City rules and regulations.

Developer will, in a timely manner, provide City with all documents, applications, plans and other information necessary for the City to carry out its obligations hereunder and cause Developer's planners, engineers, and all other consultants to submit, in a timely manner, all required materials and documents therefor.

No future modification of the Municipal Code or any ordinance or regulation, by initiative or otherwise, which limits or regulates the rate, timing, or sequence of development over time shall be applicable to the Project or Project Site, and City agrees that the development of the Project and Project Site shall be exempt from growth control measures, development moratoria, allocation methods and/or such other measures which affect the rate, timing, or sequence of development, whether enacted by the City or by vote of the electorate of the City, which would stop or delay the development of the Project or Project Site. Notwithstanding the

previous sentence, any moratorium, or moratoria, which is, or are, enacted to preserve the public health, safety, or welfare, shall apply to the Project and Project Site.

Section 7. Cooperation in the Event of Legal Challenge.

In the event of any legal or equitable act, action or other proceeding instituted by a third party, other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate in defending said action or proceeding. In the event City and Developer are unable to select mutually agreeable legal counsel to defend such action or proceeding, each party may select its own legal counsel, although the Developer shall be responsible for all City costs incurred in relation to defending against such an action or proceeding, as further provided for in Section 9 of this Agreement.

Section 8. Default; Remedies; Termination.

A. General Provisions. Failure or unreasonable delay by Developer to perform any term, provision or condition of this Agreement for a period of thirty (30) days after written notice thereof from the City shall constitute a default under this Agreement, subject to extensions of time by mutual consent in writing. The time of notice shall be measured from the date of certified mailing. Said notice shall specify the nature of the alleged default and, where appropriate, the manner and period of time in which said default may be satisfactorily cured. If the nature of the alleged default is such that it cannot reasonably be cured within such 30-day period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within such period.

During any period of curing, the Developer shall not be considered in default for the purposes of termination or institution of legal proceedings. If the default is cured, then no default shall exist and the noticing party shall take no further action.

Subject to the foregoing, after notice and expiration of the 30-day period without cure, the City, at its option, may institute legal proceedings pursuant to this Agreement and/or give notice of intent to terminate the Agreement pursuant to Government Code Section 65868. Following such notice of intent to terminate, the matter shall be scheduled for consideration and review by the City Council in the manner set forth in Government Code Sections 65865, 65867 and 65868.

Following consideration of the evidence presented in said review before the City Council, and a determination by the City Council based thereon, the City, at its option, may give written notice of termination of this Agreement to the Developer by certified mail. Written notice of termination of this Agreement shall be effective immediately upon certified mailing to the defaulting party.

Evidence of Developer's default may also arise in the course of the regularly scheduled annual review of this Agreement as described in Section 8.B. below.

Failure or delay by City in giving notice of default pursuant to this Section shall not constitute a waiver of any default. Except as otherwise provided in this Agreement, any failure

or delay by the City in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive the City of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

B. Annual Review. The City shall review the extent of good faith compliance by Developer with the terms of this Agreement at least every 12 months from the date this Agreement is entered into, at which time the Developer, or successor in interest thereto, shall be required to demonstrate good faith compliance with the terms of this Agreement. Such review shall be performed pursuant to Article 5 of the City's "Procedures and Requirements for Consideration of Development Agreements."

C. Default by City. In the event City defaults under the terms of this Agreement, Developer shall have all rights and remedies provided herein or under applicable law, including, without limitation, specific performance.

D. Enforced Delay; Extension of Time of Performance. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walk-outs, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed or mandated by other governmental entities, enactment of conflicting State or Federal laws or regulations, new or supplemental environmental regulations, judicial decisions, or similar basis for excused performance which is not within the reasonable control of the party to be excused. Litigation attacking the validity of this Agreement, any of the Project Approvals, or any permit, ordinance, entitlement or other action of a governmental agency necessary for the development of the Project and/or Project Site pursuant to this Agreement shall be deemed to create an excusable delay as to Developer. Upon the request of either party hereto, an extension of time for such cause will be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

E. Legal Action. Either party may, in addition to any other rights or remedies, institute legal action to cure, correct or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation thereof; to recover damages for any default; enforce by specific performance the obligations and rights of the parties hereto; or to obtain any remedies consistent with the purpose of this Agreement. Such legal actions shall be initiated in the Superior Court of the County of Stanislaus, State of California or in the appropriate Federal District Court.

F. Applicable Law/Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of California. If legal action by either party is brought because of breach of this Agreement or to enforce a provision of this Agreement, the prevailing party is entitled to reasonable attorneys' fees and court costs. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such actions, taking depositions and discovery, and all other necessary costs incurred in the litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such

actions is prosecuted to a final judgment. If a legal action is brought by a third party, Sections 7 and 9 of this Agreement shall apply.

Section 9. Hold Harmless Agreement.

Developer hereby agrees to defend and hold the City and its elected and appointed officers, agents, employees and representatives harmless from claims, costs and liabilities for any personal injury, death or property damage which arises, directly or indirectly, as a result of the construction of the Project, Project Site or operations performed under this Agreement by Developer or by Developer's contractors, subcontractors, agents or employees, whether such operations were performed by Developer or any of Developer's contractors, subcontractors, by any one or more persons directly or indirectly employed by, or acting as agent for Developer or any of Developer's contractors or subcontractors.

In addition, Developer shall defend City and its elected and appointed representatives, officers, agents and employees against actions arising out of such personal injury, death, or property damage which is caused, or alleged to have been caused, by reason of Developer's activities in connection with the Project or Project Site. Developer further agrees to defend and save and hold City harmless from any and all claims, costs and liabilities arising as a result of any legal action or proceeding brought against the City which challenges the validity of this Agreement, any of the terms and conditions herein, the Project Approvals, or the sufficiency of environmental review pursuant to CEQA.

This hold harmless agreement applies to all damages or claims for damages suffered or alleged to have been suffered by reason of the operations referred to in this section regardless of whether or not City prepared, supplied or approved plans or specifications, or both, for the Project and/or Project Site.

Section 10. Insurance.

Before commencing work pursuant to any City-approved permit or other entitlement relating to the Project, Developer shall obtain the insurance required under this Section and receive the approval of the City Manager or his designee as to form, amount and carrier. Developer shall maintain the insurance during the term of this Agreement. The insurance shall name the City as an additional insured and extend to the City, its elective and appointive boards, commissions, officers, agents, employees and representatives and to the Developer and each contractor and subcontractor performing work on the Project.

A. Compensation Insurance. Developer shall maintain workers' compensation insurance for all persons employed at Project Site. Developer shall require each contractor and subcontractor similarly to provide workers' compensation insurance for their respective employees. Developer agrees to indemnify the City for damage resulting from Developer's failure to take out and maintain such insurance.

B. Public Liability and Property Damage Insurance. Developer shall maintain public liability insurance in an amount not less than \$1,000,000.00 for injuries (including death) to any one person and subject to the same limit of any one occurrence.

C. Evidence of Insurance. Developer shall furnish City, concurrently with the execution of this Agreement, satisfactory evidence of the insurance required. Developer shall also provide evidence that the carrier is required to give the City at least ten (10) days' prior written notice of the cancellation or reduction in coverage of a policy.

Section 11. No Agency, Joint Venture or Partnership.

It is specifically understood and agreed to by and between the parties hereto that: (1) the subject development is a private development; (2) the City has no interest or responsibilities for, or duty to, third parties concerning any improvements until such time, and only until such time, that the City accepts the same pursuant to the provisions of this Agreement or in connection with the various Project Approvals; (3) Developer shall have full power over and exclusive control of the Project and Project Site herein described, subject only to the limitations and obligations of Developer under the Project Approvals and this Agreement; and (4) City and Developer hereby renounce the existence of any form of agency relationship, joint venture or partnership between the City and Developer and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between City and Developer.

Section 12. Miscellaneous Provisions.

A. Non-Conflicting Regulations. The City and Developer agree that unless this Agreement is amended or terminated pursuant to the provisions of this Agreement, this Agreement shall be enforceable by any party hereto notwithstanding any change hereafter enacted or adopted (whether by ordinance, resolution, initiative, or any other means) in any applicable General Plan, Specific Plan, zoning ordinance, subdivision ordinance or any other land use ordinances or building ordinances, resolutions or other rules, regulations or policies adopted by the City which changes, alters or amends the rules, regulations and policies governing permitted uses of the Project Site or density of design of the Project or Project Site applicable to the development of the Project and/or Project Site at the Effective Date of this Agreement. This Agreement shall not prevent the City in subsequent actions applicable to the Project and/or Project Site, from applying new rules, regulations and policies which do not conflict with those rules, regulations, and policies applicable to the Project and/or Project Site as set forth herein.

B. Waiver of Challenges to Project Approvals. In executing and accepting the benefits of this Agreement, Developer, its successor in interest, etc. expressly waives any legal or equitable right to challenge any project approvals, conditions of approval or other act, entitlement, approval, covered under this Agreement including acts of protest pursuant to California Government Code sections 66008 and 66009.

C. Consistency with General Plan. City hereby finds and determines that execution of this Agreement furthers the public health, safety, and general welfare of the community and that the provisions of this Agreement are consistent with the General Plan.

D. Severability. If any term, provision, covenant or condition of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the parties.

E. Other Necessary Acts. Each party shall execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

F. Construction. Each reference in this Agreement to this Agreement or the Project Approvals shall be deemed to refer to the named document or plan as such document or plan may be amended from time to time, whether or not the particular reference refers to such possible amendment.

G. No Presumption. This Agreement has been reviewed and revised by legal counsel for both City and Developer, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

H. Other Miscellaneous Terms. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory; "may" is permissive. If there is more than one signatory of this Agreement, the signatory obligations are joint and several.

Section 13. Notices.

Any notice or communication required hereunder between City or Developer must be in writing, and may be given either personally or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same shall be deemed to have been given an received on the first to occur of (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. Any party hereto may at any time, by giving ten (10) days' written notice to the other party hereto in the manner described in this Section, designate any other address in substitution of the address to which such notice or communication shall be given. Thereafter, notices, demands and other pertinent correspondence shall be addressed and transmitted to the new address. Such notices or communications shall be given to the parties at their addresses set forth below:

IF TO CITY, TO:

CITY MANAGER
CITY OF HUGHSON
P.O. BOX 9
HUGHSON, CA 95326

IF TO DEVELOPER, TO:

EMBREE ASSET GROUP, INC.
4747 WILLIAMS DRIVE
GEORGETOWN, TX 78633

WITH COPIES TO:

DANIEL J. SCHROEDER, ESQ.
NEUMILLER & BEARDSLEE
P.O. BOX 20
STOCKTON, CA 95201-3020

COMMUNITY DEVELOPMENT DIRECTOR
CITY OF HUGHSON
P.O. BOX 9
HUGHSON, CA 95326

Section 14. Assignment, Transfer and Notice.

Upon City's written consent, Developer shall have the right to assign or transfer all or any portion of its interests, rights or obligations under this Agreement and the Project Approvals to third parties acquiring an interest or estate in the Project and/or Project Site, or any portion thereof including, but not limited to, purchasers or long-term ground lessees of parcels, or facilities located within the Project Site. Developer shall give at least thirty (30) days' prior written notice to the City of its intention to assign or transfer any of its interests, rights or obligations under this Agreement. If all or any portion of the Project or Project Site is transferred by Developer to any person or entity, the transferee shall succeed to all of the Developer's rights and obligations under this Agreement as they affect the right to proceed with the development of that transferred portion of the Project or Project Site and the transferee shall automatically assume all obligations of Developer, past, present and future, hereunder which relates to the transferred Property. Unless Developer is released in writing by City, a transfer of all or any part of the Project Site to any other person or entity shall not release Developer from any obligation under this Agreement.

Section 15. Estoppel Certificate.

Within ten (10) days following any written request which either party may make from time to time, the other party to this Agreement shall execute and deliver to the requesting party a statement certifying that:

A. This Agreement is unmodified and in full force and effect, or if there have been modifications hereto, that this Agreement is in full force and effect as modified and stating the date and nature of such modification;

B. There are no current uncured defaults under this Agreement or specifying the dates and nature of any such default; and

C. Any other reasonable information requested. The failure to deliver such a statement within such time shall constitute a conclusive presumption against the party which fails to deliver such statement that this Agreement is in full force and effect without modification except as may be represented by the requesting party and that there are no uncured defaults in the performance of the requesting party, except as may be represented by the requesting parties.

Section 16. Entire Agreement; Counterparts and Exhibits.

This Agreement is executed in two (2) duplicate counterparts, each of which is deemed to be an original. This Agreement consists of _____ (____) pages, including _____ (____) exhibits which constitute in full, the final and exclusive understanding and agreement of the parties and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof. All waiver's of the provisions of this Agreement shall be in writing and signed by the appropriate authorities of the city and the Developer. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

| | |
|-------------|---------------------------------------|
| Exhibit "A" | Project Site |
| Exhibit "B" | Legal Description of the Project Site |
| Exhibit "C" | Original Conditions of Approval |
| Exhibit "D" | Fees and Credits |

No later than ten (10) days after the City enters into this Agreement, the City Clerk shall at Developer's expense record an executed copy of this Agreement in the Official Records of the County of Stanislaus.

Section 17. Time of Essence.

Time is of the essence of this Agreement.

Section 18. Exercise of Discretion.

Where the terms of this Agreement require approval, consent, written consent, determinations, or the exercise of discretion by the parties (together "discretion"), such discretion shall be exercised reasonably and shall not be unreasonably withheld.

Section 19. Waiver of Claim.

For the purposes of this Section 19, "party" includes the representatives, heirs, successors, assignees, officers, agents, employees and independent contractors of the party. Each party, with respect to the other party, in consideration of the entering into of this Agreement, and the mutual promises, conditions and covenants herein, hereby completely releases and forever discharges the other party from all claims, rights, demands, actions, obligations, and causes of action of any and all kind, nature, and character, known or unknown, which the releasing party may now have or may have had against the other party prior to the Effective Date, arising from, or related to, any claims of lack of nexus, or claims of failing to comply with the requirements of California Government Code § § 66000-66025, or the negotiation of this Agreement.

Each party understands the word "claims" to include all actions, claims, and grievances whether actual or potential, known or unknown. All such claims are forever barred by this Agreement without regard to whether those claims are based on any alleged breach of a duty arising in contract or tort.

Each party has read and understands the following language of Section 1542 of the California Civil Code which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Having reviewed this provision, each party nevertheless voluntarily releases the other party from all liability, as set forth in this Section 19.

Initial: _____
CITY

Initial: _____
DEVELOPER

/ / / /

/ / / /

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on the day and year first above written.

CITY:

CITY OF HUGHSON

DEVELOPER:

DG-Hughson, CA-1-UT, LLC.,
a Utah corporation

By: _____

Title: _____

By: _____

Title: _____

ATTEST:

Dominique Spinale-Romo
City Clerk, City of Hughson

APPROVED AS TO FORM:

Daniel J. Schroeder, City Attorney
City of Hughson

ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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ACKNOWLEDGMENT

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STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

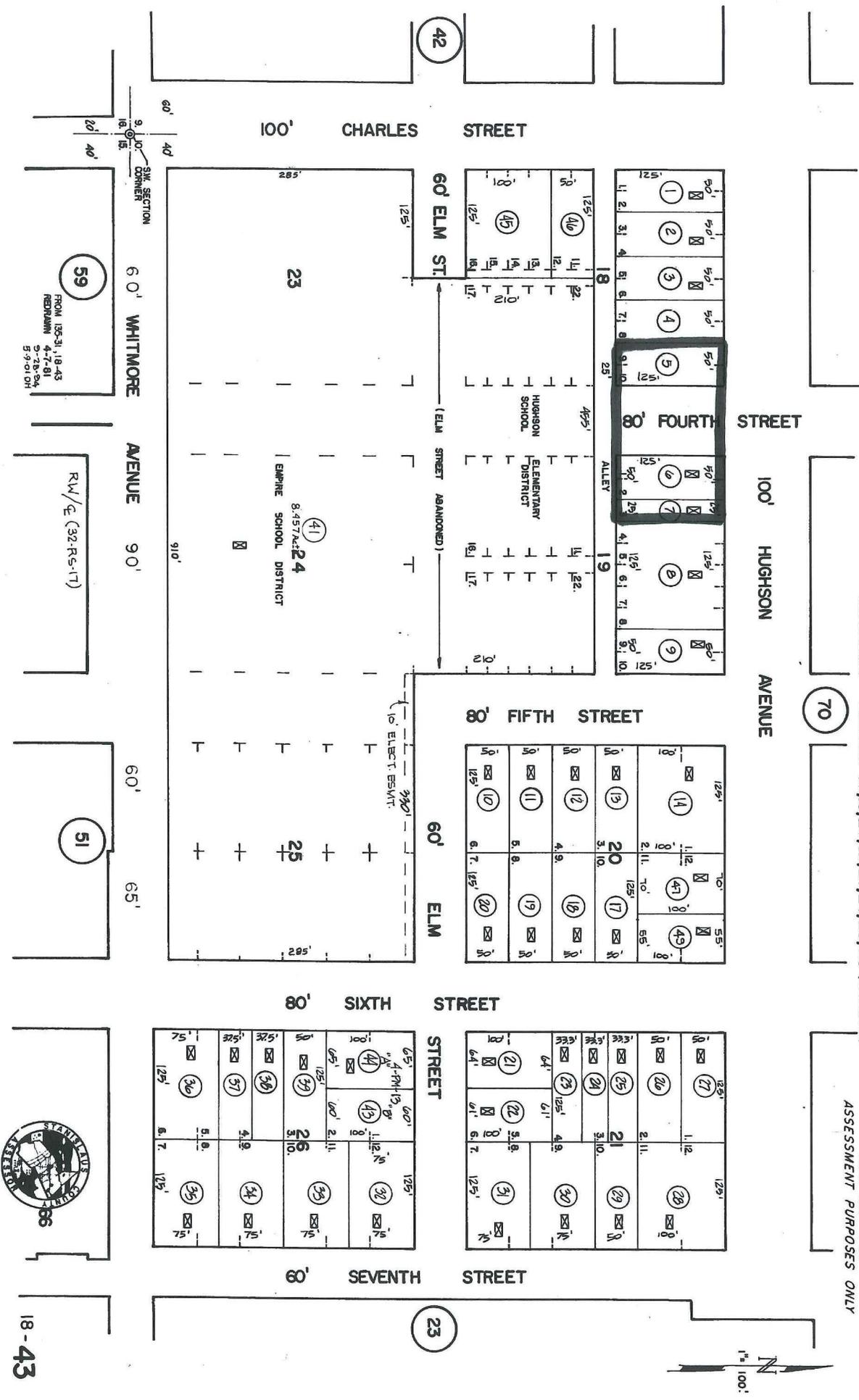
EXHIBIT "A"
PROJECT SITE MAP/DIAGRAM

PORTION SW 1/4 SECTION 10 T.4S R.10E M.D.B.&M.
 HUGHSON - BLOCKS 18,19,20,21,23,24,25,26 (03M18)

THIS MAP FOR
 ASSESSMENT PURPOSES ONLY

9 01

18-43



18-43

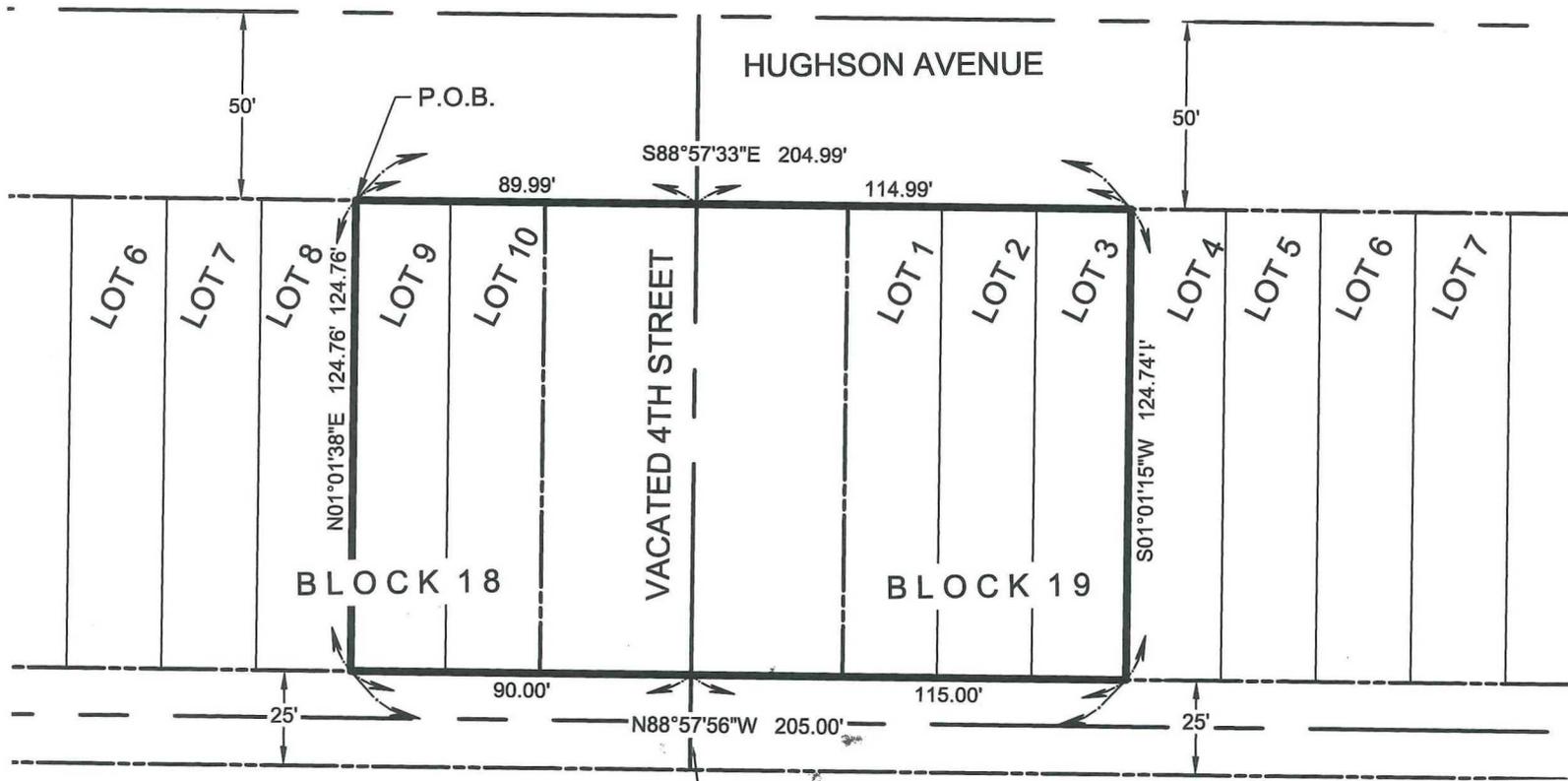


EXHIBIT "C"

LEGEND

- LEASE AREA
- - - - STREET CENTERLINE
- RIGHT OF WAY LINE
- P.O.B. POINT OF BEGINNING

PREPARED BY:

BASE
CONSULTING GROUP, INC.

16453 E. MANNING AVE.
REEDLEY, CA 93654
PH: (559) 637-1544

NOTE: THIS MAP IS FOR ILLUSTRATION PURPOSES ONLY

LOT MERGER EXHIBIT

ALL OF LOTS 9 AND 10 IN BLOCK 18 AND ALL OF LOTS 1, 2 AND 3 IN BLOCK 19 AND A PORTION OF THE PUBLIC R.O.W. KNOWN AS FOURTH ST. LYING BETWEEN THE SOUTHERLY R.O.W. LINE OF HUGHSON AVE. AND THE NORTHERLY R.O.W. LINE OF AN ALLEY, ALL OF THE "PLAT OF HUGHSON," ACCORDING TO THE MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, STATE OF CALIFORNIA

| | | |
|------------|---------------|----------------|
| 05/13/2015 | DRAWN BY: JDC | JOB NO.: 14077 |
|------------|---------------|----------------|

EXHIBIT "B"
LEGAL DESCRIPTION OF THE PROJECT SITE

EXHIBIT "A"
LEGAL DESCRIPTION
(LEASE AREA)

ALL OF LOTS NINE (9) AND TEN (10) IN BLOCK EIGHTEEN (18) AND ALL OF LOTS ONE (1), TWO (2) AND THREE (3) IN BLOCK NINETEEN (19) AND A PORTION OF THE PUBLIC RIGHT-OF-WAY KNOWN AS FOURTH STREET LYING BETWEEN THE SOUTHERLY RIGHT-OF-WAY LINE OF HUGHSON AVENUE (A 100-FOOT WIDE ROAD) AND THE NORTHERLY RIGHT-OF-WAY LINE OF AN ALLEY (A 25-FOOT WIDE ROAD), ALL OF THE "PLAT OF HUGHSON," ACCORDING TO THE MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, STATE OF CALIFORNIA, ON NOVEMBER 12, 1907 IN VOLUME 3 OF MAPS, AT PAGE 18, LYING WITHIN THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 10, TOWNSHIP 4 SOUTH, RANGE 10 EAST, MOUNT DIABLO BASE AND MERIDIAN, BEING ALSO DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT THE NORTHWEST (NW) CORNER OF LOT NINE (9) IN BLOCK EIGHTEEN AS SHOWN ON SAID MAP, THENCE EASTERLY ALONG OF THE NORTH LINE OF SAID LOTS NINE (9) AND TEN (10) AND THE EASTERLY PROLONGATION OF THE SOUTHERLY RIGHT-OF-WAY LINE OF HUGHSON AVENUE, SOUTH 88°57'33" EAST, A DISTANCE OF 89.99 FEET TO ITS INTERSECTION WITH THE CENTERLINE OF SAID FOURTH STREET;

THENCE EASTERLY ALONG SAID PROLONGATION OF SOUTHERLY RIGHT-OF-WAY LINE OF HUGHSON AVENUE AND THE NORTH LINE OF SAID LOTS ONE (1), TWO (2), AND THREE (3), SOUTH 88°57'33" EAST, A DISTANCE 114.99 FEET TO THE NORTHEAST CORNER OF LOT THREE (3) IN BLOCK NINETEEN (19) OF SAID MAP;

THENCE, ALONG THE EASTERLY LINE OF SAID LOT THREE (3), SOUTH 01°01'15" WEST, A DISTANCE OF 124.74 FEET TO THE SOUTHEAST CORNER OF SAID LOT THREE (3);

THENCE, ALONG THE SOUTH LINE OF SAID LOTS ONE (1), TWO (2) AND THREE (3) AND THE WESTERLY PROLONGATION OF THE NORTHERLY RIGHT-OF-WAY LINE OF THE ALLEY OF SAID BLOCK NINETEEN (19), NORTH 88°57'56" WEST, A DISTANCE OF 115.00 FEET TO ITS INTERSECTION WITH THE CENTERLINE OF SAID FOURTH STREET;

THENCE, ALONG SAID PROLONGATION OF NORTHERLY RIGHT OF WAY LINE OF SAID ALLEY AND THE SOUTH LINE OF SAID LOTS NINE (9) AND TEN (10), NORTH 88°57'56" WEST, A DISTANCE OF 90.00 FEET, TO THE SOUTHWEST CORNER OF SAID LOT NINE (9);

THENCE, ALONG THE WESTERLY LINE OF SAID LOT NINE (9) NORTH 01°01'38" EAST, A DISTANCE OF 124.76 FEET TO THE **POINT OF BEGINNING**.

PREPARED BY:
BASE CONSULTING GROUP, INC.



 5/13/2015

NEIL E. THONESEN
P.L.S. 8656
LIC. EXP. 12/31/2013

DATE

EXHIBIT "C"
ORIGINAL CONDITIONS OF APPROVAL



**PLANNING COMMISSION
AGENDA ITEM NO. 3.1
SECTION 3: NEW BUSINESS**

Meeting Date: March 17, 2015
Subject: Consideration of Resolution No. PC 2015-01 Approving Design Review for a Proposed Dollar General Store located between 7030 and 7128 Hughson Avenue
Enclosures: Design Review Package – Proposed Dollar General Store
Presented By: Jaylen French, Community Development Director

Approved By: _____

Recommendation:

Adopt Resolution No. PC 2015-01, a Resolution of the Planning Commission of the City of Hughson approving Design Review for a proposed Dollar General store located between 7030 and 7128 Hughson Avenue.

Background and Overview:

City staff has received an application for Design Review for a proposed Dollar General store located between 7030 and 7128 Hughson Avenue. Although the design review process may be considered subjective in nature, the City does have an adopted set of Commercial Design Guidelines, which provide the objective criteria for which approval or denial should be based.

The purpose of the Design Review process, as outlined in Section 17.04.020 of the Hughson Municipal Code (HMC) is "...to promote orderly, attractive and harmonious development, recognize environmental limitations on development, stabilize land values and investments and promote general welfare. The [design] review process aims to achieve these goals by preventing uses or structures which would not meet the specific intent, clauses or performance standards of this title or which would not properly relate to their sites, surrounding, traffic circulation, or environmental setting."

The Planning Commission may approve, conditionally approve or deny the project based on the recommendation forwarded by the planning officer. The Commission shall approve a development review application only if the following findings can be made:

1. The proposed project is consistent with the General Plan, any adopted design expectations or design guidelines and the Hughson Municipal Code.
2. The proposed architecture and site design complements the surrounding neighborhood and/or district.
3. The proposed project is consistent with the general scale of structures and buildings in the surrounding neighborhood and/or district.

Discussion:

This application is for the construction of a new, proposed Dollar General store located on Hughson Avenue. Staff has worked closely and diligently with Embree Group, the design and construction contractor for Dollar General on the site orientation, pedestrian access and aesthetics of the building to ensure the building is in conformance with the Commercial Design Guidelines and matches the vision for the downtown.

Staff believes the three (3) aforementioned findings can be made for approval of Design Review. The following is a summary of the details of the design.

General Design

It is staff's opinion that the proposed building and site improvements before the Commission constitute a positive addition to the downtown and to the community.

Per the Commercial Design Guidelines, the building's scale and massing are appropriate for the downtown and fit well next to adjacent and nearby buildings. The façade of the proposed building includes good variation in materials, design details and articulation. Further, the building includes decorative awnings and light fixtures as well as additional architectural detailing along the longer side of the building—the side facing Hughson Avenue. The proposed materials—although most are veneer—and color of the building also are appropriate in the downtown.

The building is adjacent and oriented to the sidewalk, with a zero setback, to continue and enhance the pedestrian atmosphere of the downtown. In addition, one of two entrances to the building is on Hughson Avenue.

Landscaping / Pedestrian Improvements

As proposed, the site and surrounding areas of the project include enhanced landscaping and pedestrian amenities, including landscaped bulb-outs on the northern side of the 4th Street and Hughson Avenue intersection, as well as enhanced landscaping in front of the building in the public right-of-way on Hughson Avenue. The bulb outs are an extension of the improvements made at the 3rd Street and Charles Street intersections with Hughson Avenue and will include the same trees and shrubs for uniformity. This project extends these improvements one additional block in the downtown. Another product of the improvements will be improved ADA accessibility.

Also, due to the orientation of the building at the terminus of 4th Street and due to the location of the existing crosswalks, parking is not possible in front of most of

the building; therefore, the proposal includes the installation of landscaping in these areas to enhance the aesthetic quality and usability of the area.

Parking

Per HMC Section 17.03.060(G), Landscaping in Parking Lots, the following requirements shall apply to all open off-street parking areas:

1. At least two trees shall be provided for every 10 parking spaces. The trees shall be planted in tree wells measuring at least six feet by six feet and shall be evenly dispersed throughout the parking lot.
2. At least 60 percent of the paved surface of a parking lot shall be shaded by tree canopies at high noon within 15 years after acquiring building permits for the parking lot. The trees to be planted to develop such a canopy shall be in accordance with HMC 17.03.092 and the city's street tree plan. Plans submitted for development review shall show the estimated tree canopies after 15 years of growth and the total area in square feet of the area shaded by tree canopies. To determine the area shaded by canopies, the following method shall be used:
 - a. Determine the total area of the parking lot, deducting any areas covered by structures;
 - b. Measure the shaded area as the area projected to be directly under each tree canopy after 15 years, including both paved areas and landscape planters; and
 - c. All landscaping shall be protected by front wheel retention strips.

The proposed Dollar General project currently does not include a sufficient number of trees in the parking area to meet the requirement per this section of the HMC. As proposed, Dollar General is proposing 29 parking spaces—although the requirement downtown is for 18 total spaces. This HMC section calls for two (2) trees per 10 spaces, meaning a minimum of four (4) trees are needed, but perhaps six (6). Additionally, the canopies of the trees, after 15 years, must demonstrate 60% shade coverage of the paved parking area. Therefore, a condition of approval has been included in the Resolution as part of the Planning Commission's approval to ensure that ultimately these requirements are met.

As strictly interpreted, this section applies to the downtown; however, it is City staff's opinion that there should—at a minimum—be flexibility for this requirement in the downtown area for landscaping requirements for off street parking on zero setback lots similar to those allowed under HMC Section 17.03.048(E)(6)(a). This is supported by two (2) additional factors:

1. Parking in downtown is treated differently in both the HMC and in planning documents. The HMC includes a provision reducing the number of parking spaces required for commercial uses.
2. No current commercial parking area in the downtown includes trees.

Staff will be recommending that the City amend the HMC to extend the exception in HMC Section 17.03.048(E)(6)(a) to downtown onsite parking.

It should be noted that the project is proposing nine (9) additional trees outside of the parking area.

Signage

The proposed signage meets the requirement of one (1) square foot of sign area for every one (1) lineal foot of building frontage. In addition, Dollar General is proposing to include a monument sign which also meets the requirements of the signage code.

Conditions of Approval

Since this is a discretionary approval, it is acceptable to put conditions on a Design Review Application. As described in a previous section of this staff report, "Parking", the proposed project does not meet the requirements of the HMC. To address this City staff is proposing to place the following condition of approval on the project:

1. Prior to issuance of City building permit, the project shall conform to HMC Section 17.03.060(G), Landscaping in Parking Lots.

EXHIBIT "D"
FEEES AND CREDITS



**PROPOSED DOLLAR GENERAL
CITY OF HUGHSON DEVELOPMENT IMPACT FEES**

| IMPACT FEES | FEE |
|-----------------------|-------------|
| Public Facility Fee | \$16,325.40 |
| Storm Fee | \$19,860.06 |
| Sewer Fee | \$0.00 |
| Water Fee | \$0.00 |
| Street Fee | \$0.00 |
| Community Enhancement | \$5,396.30 |

September 2015



CITY OF HUGHSON AGENDA ITEM NO. 6.1

SECTION 6: NEW BUSINESS

Meeting Date: September 28, 2015
Subject: Code Enforcement Year in Review
Presented By: Jaylen French, Community Development Director

Approved By: _____

Staff Recommendation:

Review and discuss Code Enforcement (CE) activities from Fiscal Year (FY) 2014-15, as well as priorities for the upcoming year.

Background and Overview:

In June 2014, the City retained a part time Code Enforcement Officer, Stefanie Voortman, after the departure of the previous officer, Dalton Gonzales, earlier that year. Ms. Voortman was a former Code Enforcement Officer for Stanislaus County. This report summarizes the first year, Fiscal Year 2014-2015, of the revamped and retooled efforts in the area of Code Enforcement.

Prior to FY 2014-2015, the City's Code Enforcement Officer had a police services background. During FY 2014-2015—taking advantage of Ms. Voortman's background in municipal code enforcement—the City overhauled the Code Enforcement department by coordinating with partner agencies, better using the tools at our discretion and focusing on education. The goal of the overhaul was to target citywide or prevalent problems such as abandoned vehicles, overgrown weeds and unsafe landscaping, accumulated debris/trash, unsafe living conditions, etc. These issues tend to lead to unsafe and unhealthy conditions within the city; they adversely affect property values and economic development and affect the attitudes of residents and visitors to the City

The City forged partnerships with Hughson Police Services, the City's building inspector and to a certain extent the Hughson Fire Protection District, Stanislaus Animal Services Agency and others to address all code enforcement issues, but has primarily focused on the top priority issues. In upcoming years, depending on staff availability, the City will continue to expand and enhance these partnerships. The City will outreach to the business community, the social service community, the ministerial association and others help bring about real change to areas of concern.

Further, the City is using other tools such as See.Click.Fix and NextDoor to identify community concerns. As a part time employee, the CE Officer cannot address every issue; therefore, the City's approach has been to tackle resident complaints first. At the same time, when the City is able, begin to address unsafe living conditions and other health and safety issues—which also affect property values.

The City's approach has been first and foremost education. CE staff has tried to help the residents to better understand the rules, regulations and codes so that they can in turn help the City address these issues of concern. The City does everything it can to work with the resident or property owner to avoid costly fixes or fines/citations. Through education and working with the resident to address the issue—which is the main goal—the City has been successful in FY 2014-2015. Further, this approach goes beyond simply addressing the blight symptom, it attempts to address the underlying problem.

In FY 2015-2016, the goal is to continue the momentum from the prior year, while increasing the reach of the CE Division. The City will continue to react to resident complaints first, but will continue the proactive approach started last year. Next year, the City will attempt to take on blighted neighborhoods and improving the City's municipal codes and code enforcement processes.

A presentation at the Council Meeting will review the specifics of Code Enforcement in Fiscal Year 2014-2015

Fiscal Impact:

There is no additional fiscal impact associated with this presentation. The budget currently funds a part-time Code Enforcement Officer, up to 12 hours per week. Additionally, the City received \$9,068.31 in FY 2014-2015 to assist in the abatement of abandoned vehicles. In the past, Supplemental Law Enforcement Services Funds have also been a source of revenue to offset costs associated with the City's code enforcement efforts.



CITY OF HUGHSON AGENDA ITEM NO. 6.2

SECTION 6: NEW BUSINESS

Meeting Date: September 28, 2015

Subject: Approval to Authorize the City Manager to Enter into a Memorandum of Understanding with the Members of the Turlock Groundwater Basin Association for the Purposes of Coordinating Activities for Compliance with the Sustainable Groundwater Management Act

Enclosures: Draft Memorandum of Understanding

Presented By: Jaylen French, Community Development Director

Approved By: _____

Staff Recommendation:

Authorize the City Manager to enter into a Memorandum of Understanding with the members of the Turlock Groundwater Basin Association for the purposes of coordinating activities for compliance with the Sustainable Groundwater Management Act.

Background and Overview:

The Turlock Groundwater Basin Association (TGBA), of which the City of Hughson is a member agency, has been working together since the 1990s to coordinate groundwater management activities in the Turlock groundwater basin. The Sustainable Groundwater Management Act (SGMA) was signed by Governor Brown in September 2014 and went into effect January 1, 2015. SGMA has a number of tasks and deadlines associated with it, including creating a Groundwater Sustainable Agency (GSA) by June 30, 2017 and adopting a Groundwater Sustainable Plan (GSP) by December 2020.

The TGBA decided to create a Post-SGMA Memorandum of Understanding (MOU) to set forth an approach to the SGMA compliance, including: Turlock Sub-basin's governance structure (single or multiple GSAs), preferred planning method of a GSP, as well as tools, resources, education, and outreach methods that need to be developed to inform stakeholders. Another purpose of the Post-SGMA MOU is to help increase the TGBA's voice in local groundwater management and to display good faith efforts in working together on a local level.

The existing TGBA MOU does not provide for a formal agreement for TGBA's Post-SGMA role; hence the need for the Post-SGMA MOU. The Post SGMA MOU builds on the TGBA MOU and provides a better understanding of the requirements of SGMA. This agreement is non-binding with the parties agreeing to work together in a civil manner in an effort to move toward SGMA compliance.

Fiscal Impact:

There is no immediate fiscal impact associated with this item as the City's participation in the work of the TGBA is funded through existing approved budgets. City staff will bring forth any costs associated with SGMA compliance for consideration as those are identified.

**MEMORANDUM OF UNDERSTANDING
SETTING FORTH CERTAIN ITEMS OF AGREEMENT
AMONG THE TURLOCK GROUNDWATER BASIN ASSOCIATION
FOLLOWING THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT**

1. Parties

The Parties (“Parties”) to this *Memorandum of Understanding Setting Forth Certain Items of Agreement among certain members of the Turlock Groundwater Basin Association (“TGBA”) Following the Sustainable Groundwater Management Act (“Post-SGMA MOU”)*. These Parties are the signatories to this Post-SGMA MOU.

2. Recitals

This MOU is entered into with regard to the following facts and circumstances:

- 2.1. The Parties share common groundwater resources and have managed those resources in the best interests of their respective constituents in compliance with applicable state laws.
- 2.2. In pursuit of goals and items of mutual agreement outlined in an existing agreement of the Parties, many of the Parties regularly coordinate, collaborate, and communicate groundwater management in a formal setting by way of TGBA meetings.
- 2.3. With its passage in the California Legislature and signing into law by Governor Brown, the Sustainable Groundwater Management Act of 2014 (“SGMA”) will change many conditions and requirements under which all groundwater resources are currently managed within the Turlock Subbasin (“Subbasin”).

- 2.4. A foundational tenet of the SGMA is to maintain existing local control of groundwater management, provided groundwater is managed in a sustainable manner, as outlined in the SGMA.
- 2.5. The Turlock Subbasin is defined by the Department of Water Resources' ("DWR") Bulletin 118, 2003 Update. The SGMA requires certain deadlines be met by local agencies within the Subbasin. These deadlines must be met in order to avoid intervention of local groundwater management by the State Water Resources Control Board ("State Water Board").
- 2.6. Relevant to the Parties, the first SGMA deadline for local agencies requires the formation of at least one Groundwater Sustainability Agency (GSA") by June 30, 2017 in order to avoid the Subbasin placed on probationary status (California Water Code §10735.2). DWR is to be informed of the formation of GSAs and to assess the adequacy of coordination agreements required by SGMA. Probationary status could lead to the State Water Board developing an enforceable interim plan to manage local groundwater resources.
- 2.7. The second deadline for local agencies requires a Groundwater Sustainability Plan ("GSP") to be developed to achieve groundwater sustainability within the Subbasin and submitted to DWR by January 31, 2022. The entire Subbasin must be covered by at least one GSP. If more than one GSP is established, a coordination agreement must be in place to ensure the coordinated implementation of the GSPs for the Subbasin to achieve sustainability.

3. Agreement

The Parties agree as follows:

- 3.1. **Civility:** The Parties agree to work together in a civil manner in an effort to move toward groundwater sustainability within the Subbasin and SGMA compliance.

- 3.2. **Groundwater governance:** While it is unknown at this time what governance structure will take form for the Subbasin, the Parties agree to work individually and collectively to seek formation of one or more GSAs to provide SGMA-compliant groundwater management governance within the Subbasin prior to June 30, 2017. The ultimate governance structure within the Subbasin is not the subject of this MOU. As such, this Post-SGMA MOU does not form a GSA or multiple GSAs, but rather begins a consensus-seeking discussion process toward SGMA compliance.

- 3.3. **TGBA is a forum for discussion:** The TGBA, by way of its membership, provides one of several forums to discuss possible groundwater governance structures. However, it is the Parties to this MOU (as defined in Water Code §10721(m)) that have ultimate decision-making authority on groundwater governance within the Subbasin.

- 3.4. **Coordination:** The SGMA requires that the entire Subbasin be covered by a GSP. If more than one GSP is established, SGMA further requires that a coordination agreement be in place and deemed adequate by DWR. To this end, the Parties understand that coordination and collaboration on various levels, many of which may not be clear at this time, will be essential to complying with the SGMA requirements, regardless of which groundwater governance structure ultimately develops within the Subbasin.

- 3.5. **Groundwater Sustainability Plan:** To facilitate the coordination required by SGMA, the Parties agree to work individually and collectively to pursue developing a single GSP to manage groundwater within the Subbasin.
- 3.6. **Groundwater Model and Other Data Coordination:** Development of a SGMA-compliant GSP will require a groundwater model and/or other tools to be developed for the Subbasin. While groundwater modeling has been done in the past, there will likely be a need for improved tools to assist the Parties in developing a SGMA compliant GSP. These types of tools can take years to develop. The SGMA deadlines may not allow for the time needed to systematically establish GSAs before starting work on the needed tools for developing the GSP. Therefore, the Parties agree to cooperatively pursue the development of a groundwater model and/or other tools for the entire Subbasin that may be needed to meet the SGMA deadlines and requirements.
- 3.7. **No replacement of existing MOU:** The Post-SGMA MOU does not replace or otherwise alter the existing *Turlock Groundwater Basin Association Memorandum of Understanding*, whose term commenced November 15, 2001.
- 3.8. **No implied financial commitment:** The Post-SGMA MOU does not imply any financial commitment of the Parties above and beyond what is already stipulated in the existing TGBA MOU of 2001.
- 3.9. **No creation of joint powers:** The Post-SGMA MOU does not provide for the creation of an agency or entity which is separate from the Parties pursuant to Chapter 5 (commencing with §6500) of Division 7 of Title 1 of the Government Code, relating to the joint exercise of powers.

3.10. **Term:** The Parties have entered into this Post-SGMA MOU voluntarily. This MOU may not be modified except by mutual consent of authorized officials from the Parties. This MOU shall become effective upon signature by the authorized officials from the Parties and will remain in effect until modified or terminated by any Party by mutual consent. In the absence of mutual agreement by the Parties, this MOU shall expire upon approval by DWR of the GSP developed pursuant to this MOU.

3.11. **Good faith efforts:** Each Party should use its best efforts and work wholeheartedly and in good faith for the expeditious completion of the objectives of this MOU and the satisfactory performance of the terms and provisions contained herein.

COUNTERPARTS: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed, each signatory hereto represents that he has been appropriately authorized to enter into this MOU on behalf of the Party for whom he/she signs.

{Signature page to follow}

**MEMORANDUM OF UNDERSTANDING
SETTING FORTH CERTAIN ITEMS OF AGREEMENT
AMONG THE TURLOCK GROUNDWATER BASIN ASSOCIATION
FOLLOWING THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT**

As authorized by <insert motion/resolution authorization mechanism> adopted by the <formal name of governing body> on <Date>.

Signed: _____

Name, Title

Attest: _____

Name, Title

**MEMORANDUM OF UNDERSTANDING
ESTABLISHING THE TURLOCK GROUNDWATER BASIN ASSOCIATION**

1. PARTIES:

The parties to the Memorandum of Understanding ("MOU") are: City of Ceres, a California Public Agency; Keyes Community Services District, a California Public Services District; Denair Community Services District, a California Public Services District; City of Turlock, a California public agency; Hilmar County Water District, a California Public Services District; Delhi County Water District, a California Public Services District; City of Hughson, a California public agency; City of Modesto, a California public agency; Merced Irrigation District, a California Irrigation District; Ballico Community Services District, a California Public Services District; County of Merced, a Political Subdivision of the State of California; County of Stanislaus, a Political Subdivision of the State of California; Eastside Water District, a California Water District; Ballico-Cortez Water District, a California Water District; and Turlock Irrigation District, a California Irrigation District.

2. RECITALS:

This MOU is entered into with regard to the following facts and circumstances, among others:

2.1 Groundwater and surface water resources within the Turlock Groundwater Basin are vitally important resources, in that they provide the foundation to maintain current and fulfill future agricultural, domestic, municipal and industrial needs, as well as other needs, and to maintain the economic viability and prosperity of the Basin area.

2.2 The Stanislaus/Merced County area is one of the world's foremost agricultural areas; and the agricultural industry has played a major role in the development of the economy of Stanislaus/Merced County area. In an era of increasing competition for the area's finite water resources, it is important to understand and plan for the utilization of all the area's water resources in order to preserve all elements of the local economy vital to the area's well-being.

2.3 The Parties entered into a Memorandum of Understanding on or around July 14, 1995, for the purposes of studying and evaluating the condition of the Basin, and developing a groundwater management plan for the preservation, protection and enhancement of the Basin. The Turlock Groundwater Basin Groundwater Management Plan was adopted by the Parties on or about October 1997. The 1995 Memorandum of Understanding terminated by its own terms on December 31, 1997.

2.4 The Parties desire to form an association, which will be known as the Turlock Groundwater Basin Association, to provide a mechanism for the Parties

to collectively implement the Plan and the purposes and goals of this Memorandum of Understanding.

2.5 Purposes and Goals: The purposes and goals for the formation of the Association are:

2.5.1 To provide a mechanism to coordinate the implementation of the Plan and other groundwater management activities;

2.5.2 To create an association of the Parties to enhance the ability to obtain funding to carry out the Plan and related groundwater management projects; and

2.5.3 Provide information and guidance for the management, preservation, protection and enhancement of the Basin.

2.6 The Parties believe that non-coordinated action by water providers and users within the Basin could result in counter productive competition for finite resources resulting in adverse impacts to the groundwater and surface water supplies within the Basin.

2.7 The Parties believe that creation of an Association for water suppliers within the Basin is important to protect the groundwater and surface water

resources and will assist in meeting the needs of all users of such resources within the Basin.

2.8 Because of the enactment of Water Code Sections 10750 et seq., it is clear to the Parties that local management of water resources is desirable in order that local control be maintained over such resources.

2.9 The Parties hereto desire to enter into this MOU in order to form an association to promote the stated goals and provide coordinated implementation of the Plan to make the best use of available water resources to meet the needs of their respective constituents and service territories.

2.10 In forming the Association, it is the Parties' desire that the Association not be formed as a separate governmental entity, nor have any enforceable regulatory authority over any Party's facilities or any Party's respective surface water or groundwater supplies or rights, nor duplicate any services, duties or authority of any other agency.

3. AGREEMENT:

The Parties agree as follows:

4. DEFINITIONS:

The following terms, whether in the singular or the plural, and when used herein with initial capitalization, shall have the meanings specified in this Section 4:

4.1 **Basin:** The Turlock Groundwater Basin, which is geographically defined as that area in the State of California bounded on the west by the San Joaquin River; on the north by the Tuolumne River, on the east by the base of the Sierra Nevada foothills; and on the south by the Merced River, and includes the area of land overlying that basin and all tributaries therein.

4.2 **Board:** That body, consisting of one representative from each of the Parties, which governs the Association, as established pursuant to Section 5.2 of this MOU.

4.3 **Chairperson:** The presiding officer of the Association as elected by the Board.

4.4 **Governing Bodies:** The legislative bodies of the governmental Parties to this MOU.

4.5 **MOU:** This Memorandum of Understanding Establishing the Turlock Groundwater Basin Association.

4.6 **Parties:** Each of those entities named in Section 1 of this MOU, or those Parties added pursuant to Section 5.4 of this MOU.

4.7 **Plan:** The Turlock Groundwater Basin Groundwater Management Plan, adopted on or about October 1997.

5. THE ASSOCIATION:

5.1 **Powers and Purposes:** The Parties to this MOU hereby form the Turlock Groundwater Basin Association.

5.1.1 The purpose of the Association is to provide a forum in which the Parties can work cooperatively; to combine the available talent of the Parties' respective staffs; and to accomplish the purposes described in Section 2 of this MOU.

5.1.2 This Association shall have no enforceable regulatory authority over any person or entity, including Parties or Parties' facilities or rights.

5.2 **Board:** The Association shall be governed by a Board whose membership, duties and responsibilities are set forth herein.

5.2.1 Each Party shall designate one person to serve as a member of the Board, and one or more alternates. Each member of the board, and each alternate, shall serve at the pleasure of the Party appointing such member. A Party's alternate may serve in the place of that Party's member in the absence of such member and, in such case, the alternate shall have the powers of the member.

5.2.2 The Board, at its first meeting, shall elect a chairperson and vice-chairperson from its members. Such officers shall serve at the pleasure of the Board and in such capacities until the first meeting of the Board in 2002 at which time the Board shall elect new officers. Thereafter, the Board shall elect a chairperson and vice-chairperson from its members at the first meeting of each even numbered calendar year. The Chairperson shall be responsible for presiding over meetings of the Board, and shall notify committee members of meetings of the Board. The Board shall establish a date, time and place for its regular meetings, and may hold special meetings when required for the proper transaction of business. All meetings of the Board shall be held in accordance with the provisions of the Brown Act, California Government Code §54950 et seq. The Board shall prescribe such procedures for the conduct of its business as it deems appropriate.

5.2.3 A quorum shall consist of a majority of the Voting Members of the Board, except that less than a quorum may adjourn meetings of the Board. Alternatively,

the Chairperson may adjourn a meeting of the Board to a specified time, date and place if there is less than a quorum of members present for a meeting.

5.2.4 The Board shall have the following duties and responsibilities:

- a. Develop and implement the activities, including work schedule, designated to achieve the objectives of the Association as set forth in Section 2 of this MOU.
- b. Monitor work activities of the Association.
- c. Establish such committees as may be necessary or desirable to carry out the purposes of the Association, and to exercise general supervision over such committees.

5.2.6 Except for actions for which a different approval standard is set forth in this MOU, all actions of the Board shall be approved by a majority of the members present.

5.3 **Staff; Employees:** The Association may have employees upon a decision by the Board, and/or may obtain staff and support services through the Parties.

5.4 **New Parties:** New Parties may join the Association, provided that they meet the requirements set forth in this Section 5.4.

5.4.1 Any local public agency, whose service area includes land located within the Basin, which uses groundwater, or is authorized to provide groundwater, groundwater quality management, or groundwater replenishment within its service area, and whose service includes all or a portion of the Basin, may apply for membership in the Association.

5.4.2 Application for membership shall be subject to approval by the Governing Bodies of the Parties; approval shall require the affirmative vote of the Governing bodies of two-thirds (2/3) of the Parties.

5.4.3 Any new Party to this Agreement shall, as a condition of admission to the Association, be required to first pay its proportionate share of back contributions, if any, as determined by the Board.

6. COMMITTEES:

The Board may establish any committees it determines are necessary or desirable.

7. ASSOCIATION COSTS:

7.1 Costs incurred by any Party in connection with any functions of the Association, or any committee established by the Board, and expenses of a Party's personnel including, without limitations, the regular and alternate members appointed by a party to

any committee while performing such functions, shall not be reimbursed by the Association except upon approval of the Board.

8. FUNDING AND VOTING PERCENTAGES:

8.1 It is anticipated that the Parties will fund their own staff work. However, outside funding may be available or the Parties, or any subgroup of the Parties, may make additional funding contributions, if necessary, upon agreement of those Parties participating in the funding.

8.2 **Voting Rights:** Each Party's representative on the Board shall be entitled to one vote.

8.3 **Modification by Party:** Funding percentages and/or voting percentages as indicated in Section 8.1 and 8.2 respectively, may be changed only upon the approval of the Governing Bodies of two-thirds (2/3) of the Parties.

9. RELATIONSHIP OF THE PARTICIPANTS:

9.1 **Each Party's Action is Independent of the Other:** The obligation of each Party to make payments under the terms and provisions of this MOU is an individual and several obligation and not a joint obligation with those of the other Parties. Each Party shall be individually responsible for its own covenants, obligations and liabilities under

this MOU. No Party shall be under the control of or shall be deemed to control any other Party or the Parties collectively. No Party shall be precluded from independently pursuing any of the activities contemplated in this MOU. No Party shall be the agent of or have the right or power to bind any other Party without such Party's express written consent, except as expressly provided in this MOU.

9.2 **No Creation of a Joint Powers Agency:** The Parties agree that by this MOU they do not intend to provide for the creation of an agency or entity which is separate from the Parties pursuant to Chapter 5 (commencing with §6500) of Division 7 of Title 1 of the Government Code, relating to the joint exercise of powers.

10. TERMS OF THIS MOU: The term of this MOU shall commence on _____ and shall continue until terminated by Board action.

Upon termination of this MOU, the Board shall determine the assets and liabilities of the Association; make every effort to satisfy all obligations within sixty (60) days of the termination of the MOU; and distribute the remaining fund balance equitably to each Party in proportion to each Party's funding contribution to the Association.

11. GENERAL PROVISIONS GOVERNING MOU:

11.1 **Invalidity of Any Term Not to Invalidate the Entire Memorandum:** In the event that any of the terms, covenants or conditions of this MOU or the application of

any such term, covenant or condition shall be held invalid as to any Party, person or circumstance by any court of competent jurisdiction, all other terms, covenants or conditions of this MOU and their application shall not be affected thereby, but shall remain in full force and effect unless any such court holds that those provisions are not separable from all other provisions of this MOU.

11.2 **Construction of Terms:** This MOU is for the sole benefit of the Parties and shall not be construed as granting rights to any person other than the Parties or imposing obligations on a Party to any person other than another Party.

11.3 **Good Faith:** Each Party should use its best efforts and work wholeheartedly and in good faith for the expeditious completion of the objectives of this MOU and the satisfactory performance of the terms and provisions contained herein.

11.4 **Withdrawal or Termination of Membership:** Except in the event of the termination of this MOU pursuant to Section 10, a party who withdraws or terminates its membership in the Association shall not be entitled to a refund of its funding contributions. Any Party may terminate membership and withdraw from this Association upon thirty (30) days written notice of termination to the Association. If a Party withdraws from the Association when the Party is in arrears as to its funding contributions to the Association, that Party's entitlement to use any work product of the Association as provided for herein shall be determined by the Board.

11.5 **Amendment:** An amendment to this MOU must be approved by the affirmative vote of the Governing Bodies of two-thirds (2/3) of the Parties.

11.6 **Counterpart Execution:** This MOU may be executed in counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

11.7 **Governance:** This MOU is made under and shall be governed by the laws of the State of California.

11.8 **Reasonable Delivery of Documents:** Each Party agrees upon request by the Chairperson or by the Board, to make, execute and deliver any and all documents reasonably required to implement this MOU.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed, each signatory hereto represents that he has been appropriately authorized to enter into this MOU on behalf of the Party for whom he/she signs.

CITY OF HUGHSON

By 

ROBERT E. WILBURN
Interim City Manager

ATTEST:


MARY JANE CANTRELL, CMC, City Clerk