



AGENDA

REGULAR JOINT MEETINGS

* * *

CLAYTON CITY COUNCIL

and

CLAYTON SUCCESSOR HOUSING AND SUCCESSOR AGENCIES

and

OAKHURST GEOLOGICAL HAZARD ABATEMENT DISTRICT (GHAD)

TUESDAY, February 5, 2013

7:00 p.m.

*Hoyer Hall, Clayton Community Library
6125 Clayton Road, Clayton, CA 94517*

Mayor: Julie K. Pierce
Vice Mayor: Hank Stratford

Council Members

Jim Diaz
Howard Geller
David T. Shuey

- A complete packet of information containing staff reports and exhibits related to each public item is available for public review in City Hall located at 6000 Heritage Trail on Monday prior to the Council meeting.
- Agendas are posted at: 1) City Hall, 6000 Heritage Trail; 2) Library, 6125 Clayton Road; 3) Ohm's Bulletin Board, 1028 Diablo Street, Clayton; and 4) City Website at www.ci.clayton.ca.us
- Any writings or documents provided to a majority of the City Council after distribution of the Agenda Packet and regarding any public item on this Agenda will be made available for public inspection in the City Clerk's office located at 6000 Heritage Trail during normal business hours.
- If you have a physical impairment that requires special accommodations to participate, please call the City Clerk's office at least 72 hours in advance of the meeting at (925) 673-7304.

*** CITY COUNCIL ***
February 5, 2013

7:00 P.M.

1. **CALL TO ORDER THE CITY COUNCIL** – Mayor Pierce.

2. **PLEDGE OF ALLEGIANCE** – led by Mayor Pierce.

3. **CONSENT CALENDAR**

Consent Calendar items are typically routine in nature and are considered for approval by the City Council with one single motion. Members of the Council, Audience, or Staff wishing an item removed from the Consent Calendar for purpose of public comment, question or input may request so through the Mayor.

- (a) Approve the minutes of the regular meeting of January 15, 2013. ([View Here](#))
- (b) Approve Financial Demands and Obligations of the City. ([View Here](#))
- (c) Approve the declaration of property surplus to the City's needs (2004 Ford Crown Victoria) and authorization for the City Manager to dispose of the vehicle by public auction. ([View Here](#))
- (d) Adopt a Resolution establishing a Council Policy for recordation of its closed session meetings. ([View Here](#))
- (e) Approve the purchase of a 2011 (demo model) Toro GM 360 mower with trailer from Turf Star in the amount of \$24,317.02 through state competitive bid (CMAS) using funds in the approved FY 2012-13 Capital Equipment Replacement Fund. ([View Here](#))

4. **RECOGNITIONS AND PRESENTATIONS**

- (a) Certificates of Recognition to "Do The Right Thing" public school students exemplifying the character trait of "Self-Discipline".
- (b) Presentation by Contra Costa County Librarian Barbara Flynn regarding the 100th anniversary of the Contra Costa County Library.
- (d) Recognitions of Appreciation to outgoing City Trails and Landscaping Committee members Kelly Marshall and Jake Pauline.

5. **REPORTS**

- (a) Planning Commission – No meeting held.
- (b) Trails and Landscaping Committee – No Meeting held
- (c) City Manager/Staff
- (d) City Council - Reports from Council liaisons to Regional Committees, Commissions and Boards.
- (e) Other

6. PUBLIC COMMENT ON NON - AGENDA ITEMS

Members of the public may address the City Council on items within the Council's jurisdiction, (which are not on the agenda) at this time. To facilitate the recordation of comments, it is requested each speaker complete a speaker card available on the Lobby table and submit it in advance to the City Clerk. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the Mayor's discretion. When one's name is called or you are recognized by the Mayor as wishing to speak, the speaker shall approach the public podium and adhere to the time limit. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. The Council may respond to statements made or questions asked, or may at its discretion request Staff to report back at a future meeting concerning the matter.

Public comment and input on Public Hearing, Action Items and other Agenda Items will be allowed when each item is considered by the City Council.

7. PUBLIC HEARINGS- None.

8. ACTION ITEMS

- (a) Consideration of recommended citizen appointments to vacancies on the Clayton Trails and Landscaping Committee for two-year terms of public office expiring on December 31, 2015. ([View Here](#))
(Vice Mayor Stratford and Councilmember Geller)

Staff recommendation: Following report by the Council ad-hoc Interview Committee and public comment, by motion approve the citizen appointments to the Committee for the specified two-year term of office.

- (b) Consideration of the Second Reading and Adoption of Ordinance No. 443 enacting standardized deposit and filing fee for municipal election candidates in the Clayton Municipal Code. ([View Here](#))
(City Manager)

Staff recommendation: Following staff presentation and public comment, that Council: **1.** By motion, authorize the reading of Ordinance No. 443 by title and number only and waive further reading; and **2.** Following that reading, by motion adopt Ordinance No. 443.

- (c) Council Member request for the City Council to consider paying off its California Public Employee's Retirement System (CalPERS) Side-Fund unfunded liability related to public pension system obligations for the City's Public Safety and Miscellaneous Employees Tier 1 Plans. ([View Here](#))
(Council Member Geller)

Staff recommendation: Following Council discussion and public comment, that Council provide policy direction to staff concerning this item.

- (d) Summary Report from the initial Fire Services Ad-Hoc Committee and Council meeting held on February 4, 2013 and discussion of actions and structure moving forward. ([View Here](#))
(City Council)

Staff recommendation: That Council provide any associated policy direction to staff.

9. **RECESS THE COUNCIL MEETING** – Mayor Pierce.
(Until after the Successor Agencies and GHAD meetings to handle the Closed Session item)
10. **CALL BACK TO ORDER THE CITY COUNCIL MEETING** – Mayor Pierce
11. **CLOSED SESSION**
(a) *Government Code Section 54956.8*, Conference with Real Property Negotiator
Real Properties: 1005 and 1007 Oak Street, Clayton, CA (APNs 119-050-034; 119-050-009; 119-050-008). Instructions to City Negotiator (City Manager) concerning terms and conditions.
Negotiating Party: Mr. George Chen.

Report out of Closed Session: Mayor Pierce
12. **COUNCIL ITEMS** – limited to requests and directives for future meetings.
13. **ADJOURNMENT** – the next regularly scheduled City Council meeting is February 19, 2013.

#

*** CLAYTON SUCCESSOR AGENCY and SUCCESSOR HOUSING AGENCY ***

February 5, 2013

1. CALL TO ORDER THE CLAYTON SUCCESSOR AGENCIES – Mayor Pierce.

2. PUBLIC COMMENT ON NON - AGENDA ITEMS

Members of the public may address the Board on items within the Board's jurisdiction, (which are not on the agenda) at this time. To facilitate the recordation of comments, it is requested each speaker complete a speaker card available on the Lobby table and submit it in advance to the Secretary. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the Chair's discretion. When one's name is called or you are recognized by the Chair as wishing to speak, the speaker shall approach the public podium and adhere to the time limit. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. The Board may respond to statements made or questions asked, or may at its discretion request Staff to report back at a future meeting concerning the matter.

Public comment and input on Public Hearing, Action Items and other Agenda Items will be allowed when each item is considered by the Board.

3. CONSENT CALENDAR

- (a) Approve the minutes of the regular meeting of September 18, 2012.
([View Here](#))

4. PUBLIC HEARINGS – None.

5. ACTION ITEMS

- (a) Presentation of the former Clayton Redevelopment Agency's Audited Financial Statement for Fiscal Year 2010-2011 prepared by Cropper Accountancy Corporation, Certified Public Accountants. ([View Here](#))
(Finance Manager)

Staff recommendation: Following presentation of the independent Auditor's report, receive public comments and then by motion approve the FY 2010-2011 Audited Financial Statement as submitted (serving as Successor Agency and Successor Housing Agency of the former Clayton Redevelopment Agency).

6. BOARD ITEMS – limited to requests and directives for future meetings.

7. ADJOURNMENT – the next regular Successor Agencies meetings will be scheduled as needed.

#

*** OAKHURST GEOLOGICAL HAZARD ABATEMENT DISTRICT ***

February 5, 2013

1. CALL TO ORDER AND ROLL CALL – Chairman Shuey.

2. PUBLIC COMMENTS

Citizens may address the Oakhurst Geological Hazard Abatement District (GHAD) Board on items within the Board's jurisdiction, (which are not on the agenda) by completing a speaker card and forwarding it to the Secretary. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the Chairperson's discretion. When one's name is called by the Chair, the speaker shall advance to the public podium and adhere to the time limit. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. Board Members may respond to statements made or questions asked, or may request Staff to report back at a future meeting concerning the matter.

Public comment and input on Public Hearing, Action Items and other Agenda Items will be allowed when each item is considered by the Board.

3. CONSENT CALENDAR

Consent Calendar items are typically routine in nature and are considered for approval by the Board with one single motion. Members of the Board, Audience, or Staff wishing an item removed from the Consent Calendar for purpose of public comment, question or input may request so through the Chair.

- (a) Approve the Oakhurst Geological Hazard Abatement District Board minutes for its regular meeting of December 4, 2012. ([View Here](#))

4. PUBLIC HEARINGS - None.

5. ACTION ITEMS

- (a) Consideration of a Resolution approving the Notice of Completion for the Kelok Way Dewatering Wells Project, and discussion of the expectant cost for annual monitoring and maintenance of the installed dewatering wells. ([View Here](#))
(District Manager)

Staff recommendation: Following staff presentation, the Board adopt the Resolution and provide any policy instructions regarding the recurring GHAD expense.

6. BOARD ITEMS – limited to requests and directives for future meetings.

7. ADJOURNMENT – the next meeting of the GHAD Board of Directors will be scheduled as needed.

#####

**MINUTES
OF THE
REGULAR MEETING
CLAYTON CITY COUNCIL**

Agenda Date: 2-5-13

Agenda Item: 3a

TUESDAY, January 15, 2013

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 7:03 p.m. by Mayor Pierce in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Pierce, Vice Mayor Stratford, Councilmembers Diaz, Geller, and Shuey. Staff present: City Manager Gary Napper, City Attorney Mala Subramanian, and City Clerk Laci Jackson.
2. **CLOSED SESSION**- None.
3. **PLEDGE OF ALLEGIANCE** – led by Mayor Pierce.
4. **CONSENT CALENDAR**- It was moved by Vice Mayor Stratford, seconded by Councilmember Shuey, to approve the Consent Calendar as submitted (Passed; 5-0 vote).
 - (a) Approved the minutes of the special meeting of November 27, 2012 and the regular meeting of December 18, 2012.
 - (b) Approved Financial Demands and Obligations of the City.
 - (c) Adopted Resolution 01-2013 authorizing the purchase of new 2011 Ford Crown Victoria from Folsom Lake Ford in the amount of \$24,828.31 as a replacement patrol vehicle, and approving the allocation of \$35,828.31 from Capital Equipment Replacement Fund (CERF) for the full purchase and outfitting of the vehicle.
5. **RECOGNITIONS AND PRESENTATIONS**
 - (a) Certificate of Recognition to Jimmy Hernandez, retiring United States Postal Service employee (Clayton Post Office 94517). Mayor Pierce thanked Mr. Hernandez for his dedication to the community and noted he will be dearly missed. Mr. Hernandez thanked everyone for their support over the last 23 years.
 - (b) Recognition of David Woltering upon his departure as the City's Community Development Director (2008-2013). Mayor Pierce presented a plaque to Mr. Woltering and thanked him for his service. Mr. Woltering stated he enjoyed working in Clayton and will miss the community.
6. **REPORTS**
 - (a) Planning Commission – Chairman Haydon reported on the January 8th Planning Commission meeting. The Commission said goodbye to Mr. Woltering and thanked him for his expertise when working with the Planning Commission. The Commission reviewed the proposed Universal Design Ordinance and will be sending it to the Council for further direction.
 - (b) Trails and Landscaping Committee – No meeting held.

- (c) The City Manager stated David Woltering was the best candidate for the City's position when he was selected five years ago; the City will miss him and thanked Mr. Woltering for his service. He stated the next Community Development Director recruitment will close on March 1, 2013. He stated Ken Craig has been selected as the Interim Community Development Director. Mr. Craig has most recently served as the Planning Director in Ceres. His first work day will be January 17th. He reported the Governor indicated in his budget he sees sufficient revenues coming in from former Redevelopment Agencies but the City is working hard to protect its funds.

(d) City Council

Councilmember Diaz delivered dressers to Diablo Valley Ranch as a way to help repay them for their many community donations and event support.

Vice Mayor Stratford noted the "Do the Right Thing" trait of the month is "Self-Discipline".

Councilmember Geller attended the Mayors' Conference in Lafayette and attended David Woltering's going away luncheon.

Councilmember Shuey met and talked with citizens and firefighters about the Fire District's closure of Station No. 11 in Clayton.

Mayor Pierce attended ABAG meetings, the Mayors' Conference, and a Bay Area Prosperity Planning Committee meeting.

- (e) Other – None.

7. **PUBLIC COMMENTS** – None.

8. **PUBLIC HEARINGS**

- (a) Public Hearing to consider the approval of a Resolution adopting a "Complete Streets" Policy pursuant to the California Complete Streets Act of 2008 (AB 1358).

Former Community Development Director Woltering presented the staff report. He stated the California State Legislature adopted AB 32 and SB 375 implementing standards for air quality in development. The intent of this legislation and Resolution is to look at the broader use of streets for all users. The MTC and ABAG developed a program called One Bay Area to help with implementation of this program, and grant funding is available for those eligible. In order to qualify for funds local communities need to have a Certified Housing Element and adopt a Complete Streets Policy Resolution or update their general plan. In Clayton's case adopting a policy resolution would be most appropriate. The grant funds would be available for bike and pedestrian projects, safe route to schools and other projects.

Mayor Pierce asked if these are planning steps the City already takes? The Community Development Director responded yes.

Mayor Pierce opened the Public Hearing at 7:28 p.m. No public comments were received. The Public Hearing was closed at 7:29 p.m.

It was moved by Councilmember Shuey, seconded by Vice Mayor Stratford, to adopt Resolution 02-2013, a "Complete Streets" Policy pursuant to the California Complete Streets Act of 2008 (AB 1358) (Passed; 5-0 vote).

9. ACTION ITEMS

- (b) City Council consideration of the establishment of a Sub-Committee to explore and propose recommendations for local service options in response to the Contra Costa Fire Protection District's significant reduction/closure of its Fire Station No. 11 located on Center Street in Clayton.

The City Manager stated staff tried to assemble in the short turnaround time as much information as possible for this agenda item. He stated the City of Clayton does not write a check for Fire District services; individuals pay as part of their property tax bill for the separate Fire District. He stated the closure of stations will affect all District citizens by slowing response times for emergency medical calls and structure fires because engines will be covering more ground. He stated Clayton's Fire Station 11 will continue to operate Monday through Saturday 2:00p.m.-6:00p.m. He stated in the information provided staff researched the options for detaching from the Fire District or contracting to CalFire but all of these options require resources. He stated citizens could approve a new revenue source (tax); if allowed to detach, based on voters will and LAFCO vote, the City would receive the current revenues going to the District from Clayton. He stated the best information the City has received is Clayton contributes around \$2.3 million per year to the Fire District through local property taxes, but with the dissolution of the Redevelopment Agency \$620,000 must go to the Clayton Successor Agency to fund debt payments. He stated if detachment was successful, there would be about \$1.67 million to fund all emergency medical services, fire suppression, fire protection services, dispatch services or establish own dispatching services, mutual aid, etc.

Mayor Pierce stated she does not think we should form the sub-committee because this is such an important issue to the whole Council. She stated it is the responsibility of the Fire District to solve the problem and they are holding a community meeting on January 23rd to discuss the closure of Station 11. She stated the City, at its own expense, would be videotaping that meeting and play it back on Channel 26. She stated she spoke with Supervisor Mitchoff and she will be at the meeting on the 23rd.

Steven Chandler, Clayton citizen, stated he is a 29-year firefighter in the City of Richmond. He suggested instead of closing stations the District should just brown out stations so that all citizens are impacted similarly. He stated this is not about fires, it is about medical emergencies and it is irresponsible to lose a fire station that serves 11,000 people. He suggested having professional firefighters who live in the City of Clayton look into where we should go with a citizen committee.

Vice Mayor Stratford asked how a brown out works? Mr. Chandler responded for Contra Costa County every jurisdiction is feeling the consequences of the budget so throughout all of the jurisdictions you have 4 stations per day that are closed by rotation. He asked why Clayton is the only City losing their fire station completely?

Rich Grace, Assistant Fire Chief, stated the Fire Chief will be at the meeting January 23rd. He stated the Chief considered brown outs, but brown outs ignore the data and the statistics, so the Chief eliminated that from consideration. He complimented City staff on gathering information and accurately portraying the options in its staff report.

Councilmember Geller stated he listened to the Fire Chief discuss what would happen if Measure Q failed. He stated the Council took no action on Measure Q as it was each individual's choice. He stated citizens that talked to him were concerned about the pension issues and did not understand how no firemen were being laid off even with the station closures. Mr. Grace responded there have been steps taken at the state level

that are coming down to the local level in regards to pensions, and this District is in line with other fire districts on a per station cost.

Mayor Pierce stated she watched the Board of Supervisors meetings online. She stated it is too soon to jump into the deep end and fund our own fire station.

Councilmember Geller stated he did not think the sub-committee is the route to go because the whole Council should discuss this.

Councilmember Shuey stated he thinks a sub-committee is important at this point and he envisions the sub-committee doing two things. He stated if we cannot change the course of events, we as a City need to get together the best and the brightest and come up with some plans. He stated this could be a working group to look at if there are enough AEDs in the City, and look at plans for emergency notifications. He stated then the committee could look at what the District is doing and come up with valid alternatives or ideas to do it a better way.

Councilmember Diaz stated he is not sure which is the best option but maybe a sub-committee could come up with some viable alternatives.

Vice Mayor Stratford understands the desire to have the whole Council involved. He stated the meetings would be open to the public and transparent.

Councilmember Shuey stated this should be a sub-committee so that it can be nimble but it could be noticed as a City Council meeting as well.

The City Manager noted if you double notice the meeting and it becomes a City Council meeting staff must be available take minutes.

Vice Mayor Stratford stated he hopes the committee is judicious with staff's time.

The City Manager noted staff must notice ad-hoc meetings, and notices of the meetings of the whole. He suggested setting the meeting date of Monday, February 4th at 6:30 p.m. in this room.

It was moved by Councilmember Shuey, seconded by Councilmember Diaz, to appoint Councilmember Geller and Councilmember Diaz to a new Fire Services Ad-hoc committee and set Monday, February 4th at 6:30 p.m. for a joint meeting between the Ad-hoc Committee and the City Council in Hoyer Hall, Clayton Community Library (Passed; 5-0 vote).

- (a) Presentation and approval of the City's Audited Financial Statement for Fiscal Year 2010-2011 prepared by Cropper Accountancy Corporation, Certified Public Accountants (CPA).

John Cropper, Cropper Accountancy Corporation presented the unqualified audit opinion Audit Report.

The City Manager stated the staff recognizes the process was difficult due to software conversion problems, however the outcome is positive as the City operated in the black.

Councilmember Diaz stated the Report noted a significant deficiency related to control but noted staffing is very minimal. Mr. Cropper noted with a City this size there will always be a comment on segregation of duties, and it is not highly unusual.

Mr. Cropper reviewed some of the coordination issues preparing the audit. He stated Clayton's financial statements are generated by a third party and this created some challenges.

No public comments were received.

It was moved by Vice Mayor Stratford, seconded by Councilmember Shuey, to approve the 2010-2011 Audited Financial statements as submitted (Passed; 5-0 vote).

- (c) Council consideration of local street Pavement Condition Index (PCI) rankings for potential inclusion in the City's upcoming 2012-13 Neighborhood Street Repaving Project (CIP No. 10417).

The City Engineer presented the staff report and stated in 2012 the City received only 2 extremely high bids for the pavement project. It was recommended staff hold off with the project until 2013 in order to pull funds together from multiple years. He stated staff is recommending a \$1.2 million project. He stated this project will include the long-awaited overlay of Regency Drive. He noted the estimated unit price was increased, and this project will likely include the overlay of 30 streets with final selection dependent on the bid prices. Staff is also recommending several projects be included as bid items including the library parking lot, Heritage Trail, the City Hall parking areas, Lydia Lane parking area and some trails segments.

Mayor Pierce stated updating engineer's estimates for unit prices will help but we may not know until bids come in.

No public comments were received.

It was moved by Vice Mayor Stratford, seconded by Councilmember Geller, to instruct staff to advertise for competitive bid a FY 2012-13 Street Repaving Project incorporating the selected streets and optional work to resurface three (3) public parking lots (Lydia Lane Park; City Hall; Clayton Community Library) and certain portions of the City's Trail System (Passed; 5-0 vote).

- (d) Consideration of the First Reading and Introduction of Ordinance No. 443 enacting standardized deposit and filing fee for municipal election candidates in the Clayton Municipal Code.

The City Clerk presented the staff report indicating this Ordinance is needed to prevent future conflicts of interest in approving information for the municipal elections. Members of the Council thanked the City Clerk for preparing this Code updated to eliminate any future conflicts of interest votes of the seated councilmembers.

No public comments were received.

It was moved by Vice Mayor Stratford, seconded by Councilmember Shuey, to have the City Clerk read Ordinance No. 443 by title and number only and waive further reading (Passed; 5-0 vote).

The City Clerk read Ordinance No. 443 by title and number only.

It was moved by Vice Mayor Stratford, seconded by Councilmember Shuey, to approve Ordinance No. 443 for Introduction (Passed; 5-0 vote).

- (e) Consideration of a Resolution establishing a Council Policy for recordation of its closed session meetings.

The City Attorney reported the Council requested a Resolution be drafted to mandate the recording of all closed session meetings.

Mayor Pierce asked the rationale behind this. Councilmember Shuey stated in today's age where you can have a digital recorder it seems like a good idea to have a record of closed sessions. He stated it could provide insight for future councils.

Councilmember Geller stated closed session items usually become action items for public discussion. He noted there are a lot of closed session items that should not be recorded.

Vice Mayor Stratford stated his only concern is if it would impede the flow of information. Councilmember Shuey stated the whole point of closed session is to evaluate the pro's and the con's, and recording that should not change the discussion or debate.

Mayor Pierce stated there could be an issue of Councilmembers being entirely candid especially regarding employee negotiations.

Councilmember Shuey stated the Council did talk about potentially having some ability to make a motion that certain items do not have to be recorded. He stated maybe the Council could look at excluding personnel decisions for example.

Vice Mayor Stratford stated we could try it.

Councilmember Pierce asked how would this actually function? Councilmember Shuey stated it could be with an audio recorder.

Councilmember Diaz asked how decisions or direction are currently documented. Mayor Pierce stated the City Manager and City Attorney take notes on direction, but they do not capture what every individual says.

Councilmember Shuey stated he does not see any downside to recording though he can understand the Mayor's concerns about personnel issues.

Mayor Pierce asked who would maintain those records? Councilmember Shuey suggested the City Manager and the City Attorney each maintain a copy under lock and key.

In response to question, the City Manager noted from a staff prospective you do not know what will be necessary 10 years down the road and the only sure protection is to record them all.

Councilmember Shuey stated he has no problem with recording on a case by case basis.

By Council consensus staff will bring back adjusted wording for the Resolution for the recordation of closed sessions.

- (f) Review and determination of City Council ad-hoc, committee, inter-governmental and regional board assignments for 2013.

Mayor Pierce announced and outlined the proposed Council committee assignments for 2013. The Council discussed the recommendations and made several adjustments.

It was moved by Vice Mayor Stratford, seconded by Councilmember Shuey, to approve the proposed Council Member assignments for calendar year 2012 (Passed; 5-0 vote).

- (g) Determination of the date, time and location for the City Council's annual Goals and Objectives Setting Session with its City Manager.

The City Council reviewed and discussed their availability and dates to attend the special meeting.

It was moved by Councilmember Shuey, seconded by Vice Mayor Stratford, to call a City Council special meeting for Tuesday, February 5, 2013 at 5:00 p.m. in the City Hall Conference Room, 6000 Heritage Trail, to discuss the annual Goals and Objectives with the City Manager (Passed; 5-0 vote).

10. COUNCIL ITEMS

Mayor Pierce noted the possible need for a special meeting on January 25th for real property matters.

- 11. ADJOURNMENT**– On call by Mayor Pierce the meeting adjourned at 10:23 p.m.

Respectfully submitted,

Laci J. Jackson, City Clerk

APPROVED BY CLAYTON CITY COUNCIL

Julie K. Pierce, Mayor



Agenda Date: 2/5/2013

Agenda Item: 3b

Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MERRY PELLETIER, FINANCE MANAGER

DATE: 2/5/2013

SUBJECT: INVOICE SUMMARY

RECOMMENDATION

Approve the following Invoices.

2/1/2013	Cash Requirements Report	\$355,578.25
----------	--------------------------	--------------

2/1/2013	Invoices Paid in Advance of Meeting	\$ 432.68
----------	-------------------------------------	-----------

1. DeLage Landen Financial Services, Inc.
 - a. Konica contract for January, 2013

355,578.25

432.68

002

356,010.93

TOTAL REQUEST	\$	<u>356,010.93</u>
---------------	----	-------------------

Attachments:

Cash Requirements Report dated 2/1/2013 (7 pages)

Copy of check and invoice for DeLage Landen (2 pages)

City of Clayton

Cash Requirements Report

City Council 2/5/13

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Ace Sierra Tow								
Ace Sierra Tow	2/5/2013	12/31/2012	2985	flat repair	\$25.00	\$0.00		\$25.00
				<i>Totals for Ace Sierra Tow:</i>	<i>\$25.00</i>	<i>\$0.00</i>		<i>\$25.00</i>
Aldo Oviedo								
Aldo Oviedo	2/5/2013	1/8/2013	0045	Deposit refund	\$1,880.69	\$0.00		\$1,880.69
				<i>Totals for Aldo Oviedo:</i>	<i>\$1,880.69</i>	<i>\$0.00</i>		<i>\$1,880.69</i>
All City Management Services, Inc.								
All City Management Services, Inc.	2/5/2013	12/14/2012	29486	School crossing guard svcs	\$232.50	\$0.00		\$232.50
				<i>Totals for All City Management Services, Inc.:</i>	<i>\$232.50</i>	<i>\$0.00</i>		<i>\$232.50</i>
ALTEC Industries, Inc.								
ALTEC Industries, Inc.	2/5/2013	1/8/2013	10011600	Replacement flash tube for strobe beacon	\$125.20	\$0.00		\$125.20
				<i>Totals for ALTEC Industries, Inc.:</i>	<i>\$125.20</i>	<i>\$0.00</i>		<i>\$125.20</i>
Arlene H. Kikkawa-Nielsen								
Arlene H. Kikkawa-Nielsen	2/5/2013	1/14/2013	January 2013	Library Volunteer Coordinator- January 2012	\$900.00	\$0.00		\$900.00
				<i>Totals for Arlene H. Kikkawa-Nielsen:</i>	<i>\$900.00</i>	<i>\$0.00</i>		<i>\$900.00</i>
AT&T/ CalNet 2								
AT&T/ CalNet 2	2/5/2013	1/22/2013	4048228	January Billing	\$1,806.43	\$0.00		\$1,806.43
				<i>Totals for AT&T/ CalNet 2:</i>	<i>\$1,806.43</i>	<i>\$0.00</i>		<i>\$1,806.43</i>
Best Best & Kreiger LLP								
Best Best & Kreiger LLP	2/5/2013	1/8/2013	693765,693774,6937	December Billing	\$10,777.50	\$0.00		\$10,777.50
				<i>Totals for Best Best & Kreiger LLP:</i>	<i>\$10,777.50</i>	<i>\$0.00</i>		<i>\$10,777.50</i>
Boething Treeland Farms, Inc.								
Boething Treeland Farms, Inc.	2/5/2013	11/27/2012	LV080220	Platanus Acer "Columbia" #30	\$1,135.98	\$0.00		\$1,135.98
				<i>Totals for Boething Treeland Farms, Inc.:</i>	<i>\$1,135.98</i>	<i>\$0.00</i>		<i>\$1,135.98</i>
CA Soc of Muni Finance Officers								
CA Soc of Muni Finance Officers	2/5/2013	12/14/2012	47961	2013 CSMFO Membership Renewal	\$110.00	\$0.00		\$110.00
				<i>Totals for CA Soc of Muni Finance Officers:</i>	<i>\$110.00</i>	<i>\$0.00</i>		<i>\$110.00</i>
CalPERS Health								
CalPERS Health	2/5/2013	1/14/2013	881	February Health	\$29,822.27	\$0.00		\$29,822.27
				<i>Totals for CalPERS Health:</i>	<i>\$29,822.27</i>	<i>\$0.00</i>		<i>\$29,822.27</i>
CalPERS Retirement								
CalPERS Retirement	2/5/2013	1/25/2013	CC turn 12/24/12	City Council turn 12/24/12	\$357.28	\$0.00		\$357.28
CalPERS Retirement	2/5/2013	1/25/2013	PPE 12/23/12	PPE 12/23/12	\$22,374.11	\$0.00		\$22,374.11
CalPERS Retirement	2/5/2013	1/25/2013	PPE 1/6/13	PPE 1/6/13	\$20,834.89	\$0.00		\$20,834.89
CalPERS Retirement	2/5/2013	1/25/2013	PPE 1/20/13	PPE 1/20/13	\$20,858.03	\$0.00		\$20,858.03

City of Clayton

Cash Requirements Report

City Council 2/5/13

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
CalPERS Retirement	2/5/2013	1/25/2013	CC thru 1/24/13	City Council thru 1/24/13	\$357.28	\$0.00		\$357.28
				Totals for CalPERS Retirement:	\$64,781.59	\$0.00		\$64,781.59
Caltronics Business Systems, Inc								
Caltronics Business Systems, Inc	2/5/2013	1/15/2013	1233588	Konica Contract	\$149.78	\$0.00		\$149.78
				Totals for Caltronics Business Systems, Inc:	\$149.78	\$0.00		\$149.78
CCC Animal Svcs Dept								
CCC Animal Svcs Dept	2/5/2013	12/18/2012	ASD-M5645	Animal Control Services Jan. 1 - March 31, 2	\$14,525.50	\$0.00		\$14,525.50
				Totals for CCC Animal Svcs Dept:	\$14,525.50	\$0.00		\$14,525.50
CCC Fire Protection Dist.								
CCC Fire Protection Dist.	2/5/2013	1/17/2013	13-0321	Endeavor Hall Public Assembly Permit	\$277.50	\$0.00		\$277.50
CCC Fire Protection Dist.	2/5/2013	1/17/2013	13-0322	CCC Library Public Assembly Permit	\$427.50	\$0.00		\$427.50
CCC Fire Protection Dist.	2/5/2013	1/17/2013	13-0324	Corp Yard Operational Permit	\$462.50	\$0.00		\$462.50
				Totals for CCC Fire Protection Dist.:	\$1,167.50	\$0.00		\$1,167.50
CCC General Services (Traffic)								
CCC General Services (Traffic)	2/5/2013	1/3/2013	4770	November Traffic Signal Maintenance	\$2,305.39	\$0.00		\$2,305.39
CCC General Services (Traffic)	2/5/2013	11/29/2012	4737	Signal Maintenance October 2012	\$1,608.62	\$0.00		\$1,608.62
CCC General Services (Traffic)	2/5/2013	10/24/2012	4707	Signal Maintenance September 2012	\$2,625.96	\$0.00		\$2,625.96
				Totals for CCC General Services (Traffic):	\$6,539.97	\$0.00		\$6,539.97
CCC Library								
CCC Library	2/5/2013	1/11/2013	12/13	Additional hours for July 1-September 30, 20	\$4,485.26	\$0.00		\$4,485.26
CCC Library	2/5/2013	1/25/2012	Library Q2 2012/13	Additional Hours Library FY 12/13 Q2	\$3,269.62	\$0.00		\$3,269.62
				Totals for CCC Library:	\$7,754.88	\$0.00		\$7,754.88
CCC Sheriff - Forensic Svc Div (Lab)								
CCC Sheriff - Forensic Svc Div (Lab)	2/5/2013	1/15/2013	CLPD-412	blood withdrawal services October-December	\$820.05	\$0.00		\$820.05
CCC Sheriff - Forensic Svc Div (Lab)	2/5/2013	1/14/2013	CLPD-1212	December 2012 screenings	\$700.00	\$0.00		\$700.00
				Totals for CCC Sheriff - Forensic Svc Div (Lab):	\$1,520.05	\$0.00		\$1,520.05
City National Bank								
City National Bank	2/5/2013	1/15/2013	CFD 19990-2	Loan Payment #99-131	\$10,236.50	\$0.00		\$10,236.50
				Totals for City National Bank:	\$10,236.50	\$0.00		\$10,236.50
City of Concord								
City of Concord	2/5/2013	1/25/2013	31021	1000 window envelopes	\$145.00	\$0.00		\$145.00
				Totals for City of Concord:	\$145.00	\$0.00		\$145.00
City of Walnut Creek								
City of Walnut Creek	2/5/2013	1/1/2013	2013	Prepaid Lunches for Public Managers' Assoc	\$156.00	\$0.00		\$156.00
				Totals for City of Walnut Creek:	\$156.00	\$0.00		\$156.00
Comcast								

City of Clayton

Cash Requirements Report

City Council 2/5/13

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount Expires On	Discount Expires On	Net Amount Due
Comcast	2/5/2013	1/5/2013	January	High Speed Internet January 2013	\$392.50	\$0.00		\$392.50
				<i>Totals for Comcast:</i>	<u>\$392.50</u>	<u>\$0.00</u>		<u>\$392.50</u>
Concord Uniforms								
Concord Uniforms	2/5/2013	1/2/2013	6851	Sandy Johnson	\$292.88	\$0.00		\$292.88
Concord Uniforms	2/5/2013	1/2/2013	6849	Andre Charles	\$48.94	\$0.00		\$48.94
Concord Uniforms	2/5/2013	12/29/2012	6847	Andre Charles	\$517.11	\$0.00		\$517.11
Concord Uniforms	2/5/2013	1/5/2013	6865	Wendy Roden	\$119.79	\$0.00		\$119.79
				<i>Totals for Concord Uniforms:</i>	<u>\$978.72</u>	<u>\$0.00</u>		<u>\$978.72</u>
Contra Costa Water Dist.								
Contra Costa Water Dist.	2/5/2013	1/17/2013	G Series	Water service 11/14/12-1/15/13	\$7,981.26	\$0.00		\$7,981.26
				<i>Totals for Contra Costa Water Dist.:</i>	<u>\$7,981.26</u>	<u>\$0.00</u>		<u>\$7,981.26</u>
CR Fireline Inc								
CR Fireline Inc	2/5/2013	1/18/2013	94728	QTR inspection/test City Hall	\$310.00	\$0.00		\$310.00
CR Fireline Inc	2/5/2013	1/18/2013	94727	QTR inspection/test Endeavor Hall	\$310.00	\$0.00		\$310.00
CR Fireline Inc	2/5/2013	1/18/2013	94726	QTR inspection/test Library	\$310.00	\$0.00		\$310.00
				<i>Totals for CR Fireline Inc:</i>	<u>\$930.00</u>	<u>\$0.00</u>		<u>\$930.00</u>
Crop Production Svcs								
Crop Production Svcs	2/5/2013	1/16/2013	233401	Chemicals	\$726.95	\$0.00		\$726.95
				<i>Totals for Crop Production Svcs:</i>	<u>\$726.95</u>	<u>\$0.00</u>		<u>\$726.95</u>
Devils' Mountain Trophy								
Devils' Mountain Trophy	2/5/2013	1/1/2013	14768	awards	\$290.68	\$0.00		\$290.68
Devils' Mountain Trophy	2/5/2013	1/1/2013	14769	engraved plates	\$87.20	\$0.00		\$87.20
				<i>Totals for Devils' Mountain Trophy:</i>	<u>\$377.88</u>	<u>\$0.00</u>		<u>\$377.88</u>
Hammons Supply Company								
Hammons Supply Company	2/5/2013	1/21/2013	76003	soap dispensers	\$18.84	\$0.00		\$18.84
Hammons Supply Company	2/5/2013	1/21/2013	76002	supplies	\$67.23	\$0.00		\$67.23
				<i>Totals for Hammons Supply Company:</i>	<u>\$86.07</u>	<u>\$0.00</u>		<u>\$86.07</u>
Hauling Pros, Inc								
Hauling Pros, Inc	2/5/2013	1/8/2013	0058	Deposit refund	\$1,904.54	\$0.00		\$1,904.54
				<i>Totals for Hauling Pros, Inc:</i>	<u>\$1,904.54</u>	<u>\$0.00</u>		<u>\$1,904.54</u>
Health Care Dental Trust								
Health Care Dental Trust	2/5/2013	1/29/2013	1/29/13	February Benefits	\$3,185.87	\$0.00		\$3,185.87
				<i>Totals for Health Care Dental Trust:</i>	<u>\$3,185.87</u>	<u>\$0.00</u>		<u>\$3,185.87</u>
ICMA Retirement Corporation								
ICMA Retirement Corporation	2/5/2013	1/4/2013	11577	Quarterly Annual Plan Fee 1/1/13-3/31/13	\$125.00	\$0.00		\$125.00
				<i>Totals for ICMA Retirement Corporation:</i>	<u>\$125.00</u>	<u>\$0.00</u>		<u>\$125.00</u>

City of Clayton

Cash Requirements Report

City Council 2/5/13

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Jarvis Fay Doporto & Gibson, LLP								
Jarvis Fay Doporto & Gibson, LLP	2/5/2013	12/20/2012	November 2012	Chevron Property Tax Refund Dispute Novem	\$248.25	\$0.00		\$248.25
				<i>Totals for Jarvis Fay Doporto & Gibson, LLP:</i>	<u>\$248.25</u>	<u>\$0.00</u>		<u>\$248.25</u>
Jason Delmar								
Jason Delmar	2/5/2013	1/25/2013	220	Computer Support December 2012	\$375.00	\$0.00		\$375.00
				<i>Totals for Jason Delmar:</i>	<u>\$375.00</u>	<u>\$0.00</u>		<u>\$375.00</u>
Jobs Available								
Jobs Available	2/5/2013	1/15/2013	1302010	Community Development Director Ad	\$350.00	\$0.00		\$350.00
Jobs Available	2/5/2013	1/29/2013	1303012	Community Development Director	\$350.00	\$0.00		\$350.00
				<i>Totals for Jobs Available:</i>	<u>\$700.00</u>	<u>\$0.00</u>		<u>\$700.00</u>
John Deere Landscapes Inc								
John Deere Landscapes Inc	2/5/2013	1/21/2013	63583152	FCC License Fee	\$759.50	\$0.00		\$759.50
				<i>Totals for John Deere Landscapes Inc:</i>	<u>\$759.50</u>	<u>\$0.00</u>		<u>\$759.50</u>
John Lazar								
John Lazar	2/5/2013	1/16/2013	1022	Deposit refund	\$306.73	\$0.00		\$306.73
				<i>Totals for John Lazar:</i>	<u>\$306.73</u>	<u>\$0.00</u>		<u>\$306.73</u>
LarryLogic Productions								
LarryLogic Productions	2/5/2013	1/16/2013	1300	City Council Meeting 1/15/13	\$400.00	\$0.00		\$400.00
LarryLogic Productions	2/5/2013	1/24/2013	1303	Fire District Meeting 1/23/13	\$400.00	\$0.00		\$400.00
				<i>Totals for LarryLogic Productions:</i>	<u>\$800.00</u>	<u>\$0.00</u>		<u>\$800.00</u>
Marken Mechanical Services Inc								
Marken Mechanical Services Inc	2/5/2013	1/16/2013	113-16539	City Hall Hot water pump	\$676.53	\$0.00		\$676.53
				<i>Totals for Marken Mechanical Services Inc:</i>	<u>\$676.53</u>	<u>\$0.00</u>		<u>\$676.53</u>
Muir/ Diablo Occupation Medicine								
Muir/ Diablo Occupation Medicine	2/5/2013	12/11/2012	204396	R. Eddy Tb test	\$20.00	\$0.00		\$20.00
				<i>Totals for Muir/ Diablo Occupation Medicine:</i>	<u>\$20.00</u>	<u>\$0.00</u>		<u>\$20.00</u>
Municipal Pooling Authority								
Municipal Pooling Authority	2/5/2013	1/25/2013	January	LTD STD Insurance	\$1,174.28	\$0.00		\$1,174.28
Municipal Pooling Authority	2/5/2013	1/28/2013	C1303	Crime Premium 13/14	\$400.00	\$0.00		\$400.00
				<i>Totals for Municipal Pooling Authority:</i>	<u>\$1,574.28</u>	<u>\$0.00</u>		<u>\$1,574.28</u>
National Emblem Inc								
National Emblem Inc	2/5/2013	1/3/2013	261274	50 emblems	\$173.00	\$0.00		\$173.00
				<i>Totals for National Emblem Inc:</i>	<u>\$173.00</u>	<u>\$0.00</u>		<u>\$173.00</u>
NBS Govt. Finance Group								
NBS Govt. Finance Group	2/5/2013	11/27/2012	11120039	2007 special tax revenue bonds 6/7/2007-9/2/12	\$1,200.00	\$0.00		\$1,200.00

City of Clayton Cash Requirements Report City Council 2/5/13

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount Expires On	Net Amount Due
NSP3				<i>Totals for NBS Govt. Finance Group:</i>	<i>\$1,200.00</i>	<i>\$0.00</i>	<i>\$1,200.00</i>
NSP3	2/5/2013	1/25/2013	14044	Belt Seat w/chain x2	\$209.36	\$0.00	\$209.36
				<i>Totals for NSP3:</i>	<i>\$209.36</i>	<i>\$0.00</i>	<i>\$209.36</i>
Pacific Telemanagement Svc							
Pacific Telemanagement Svc	2/5/2013	1/24/2013	490353	Courtyard phone February 2013	\$73.00	\$0.00	\$73.00
				<i>Totals for Pacific Telemanagement Svc:</i>	<i>\$73.00</i>	<i>\$0.00</i>	<i>\$73.00</i>
PERMCO, Inc.							
PERMCO, Inc.	2/5/2013	1/28/2013	9907	Retainer - General Svc	\$6,273.25	\$0.00	\$6,273.25
PERMCO, Inc.	2/5/2013	1/28/2013	9908	General Stormwater Tasks/Inspections	\$526.13	\$0.00	\$526.13
PERMCO, Inc.	2/5/2013	1/28/2013	9909	Diablo Pointe Plan Check	\$124.50	\$0.00	\$124.50
PERMCO, Inc.	2/5/2013	1/28/2013	9910	Diablo Pointe Construction Inspection	\$1,577.00	\$0.00	\$1,577.00
PERMCO, Inc.	2/5/2013	1/28/2013	9911	Construction Activity Permit - Non Utility	\$20.75	\$0.00	\$20.75
PERMCO, Inc.	2/5/2013	1/28/2013	9911	Construction Activity Permit - Non Utility	\$83.00	\$0.00	\$83.00
PERMCO, Inc.	2/5/2013	1/28/2013	9911	Construction Activity Permit - Non Utility	\$41.50	\$0.00	\$41.50
PERMCO, Inc.	2/5/2013	1/28/2013	9912	2013 Pavement Rehabilitation Project	\$7,378.13	\$0.00	\$7,378.13
PERMCO, Inc.	2/5/2013	1/28/2013	99113	GHAD - Kelok Dewatering Well Installation	\$618.75	\$0.00	\$618.75
				<i>Totals for PERMCO, Inc.:</i>	<i>\$16,643.01</i>	<i>\$0.00</i>	<i>\$16,643.01</i>
PG&E							
PG&E	2/5/2013	1/23/2013	1/23/12	12/21/12-1/22/13	\$2,957.76	\$0.00	\$2,957.76
PG&E	2/5/2013	1/16/2013	1/16/13	11/20/12-1/15/13	\$17,009.78	\$0.00	\$17,009.78
				<i>Totals for PG&E:</i>	<i>\$19,967.54</i>	<i>\$0.00</i>	<i>\$19,967.54</i>
Pinnacle Residential Services							
Pinnacle Residential Services	2/5/2013	1/5/2013	1614	Managment svcs for Diablo Estates BAD for J	\$4,099.00	\$0.00	\$4,099.00
				<i>Totals for Pinnacle Residential Services:</i>	<i>\$4,099.00</i>	<i>\$0.00</i>	<i>\$4,099.00</i>
Red Cloud Wireless Voice & Data							
Red Cloud Wireless Voice & Data	2/5/2013	12/18/2012	29589	labor vehicle 1726	\$250.00	\$0.00	\$250.00
				<i>Totals for Red Cloud Wireless Voice & Data:</i>	<i>\$250.00</i>	<i>\$0.00</i>	<i>\$250.00</i>
Riso Products of Sacramento							
Riso Products of Sacramento	2/5/2013	12/28/2012	101755	12/18/12-1/17/13	\$94.79	\$0.00	\$94.79
				<i>Totals for Riso Products of Sacramento:</i>	<i>\$94.79</i>	<i>\$0.00</i>	<i>\$94.79</i>
Rock & Waterfall Co							
Rock & Waterfall Co	2/5/2013	1/4/2013	109-78	New pump for fountain at City Hall	\$1,181.50	\$0.00	\$1,181.50
				<i>Totals for Rock & Waterfall Co:</i>	<i>\$1,181.50</i>	<i>\$0.00</i>	<i>\$1,181.50</i>
Sportsmen Hunting/Fishing Guide Service, LLC							
Sportsmen Hunting/Fishing Guide Servi	2/5/2013	1/10/2013	101	5 month pig control city properties	\$625.00	\$0.00	\$625.00

City of Clayton

Cash Requirements Report

City Council 2/5/13

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
SPRAYTEC (Sprayer Sales Co)				Totals for Sportsmen Hunting/Fishing Guide Service, LLC:				
SPRAYTEC (Sprayer Sales Co)	2/5/2013	1/11/2013	11582	monthly maintenance - 12/6/12 & 12/20/12	\$225.00	\$0.00		\$225.00
				Totals for SPRAYTEC (Sprayer Sales Co):	\$225.00	\$0.00		\$225.00
Sprint Comm (PD)								
Sprint Comm (PD)	2/5/2013	12/29/2012	703335311-133	November 26-December 25,2012	\$578.68	\$0.00		\$578.68
				Totals for Sprint Comm (PD):	\$578.68	\$0.00		\$578.68
Sprint Comm (PW & ADM)								
Sprint Comm (PW & ADM)	2/5/2013	12/29/2012	531409315-128	November 26-December 25,2012	\$344.30	\$0.00		\$344.30
				Totals for Sprint Comm (PW & ADM):	\$344.30	\$0.00		\$344.30
Thomson West								
Thomson West	2/5/2013	12/26/2012	7546301	CA Penal and Evidence codes 2013 - hardbo	\$51.09	\$0.00		\$51.09
				Totals for Thomson West:	\$51.09	\$0.00		\$51.09
US Bank Corp Pymt System (Cal Card)								
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	Admin 12/24/12	YV Mini Storage	\$88.00	\$0.00		\$88.00
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	Admin 12/24/12	Supplies and Panel meals	\$976.58	\$0.00		\$976.58
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	Admin 12/24/12	AGI Checkfree EH Ad Yellow Pages	\$126.55	\$0.00		\$126.55
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	Admin 12/24/12	Employee recognition dinner and award	\$830.90	\$0.00		\$830.90
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	Admin 12/24/12	Geoconsultants November 2012	\$1,546.50	\$0.00		\$1,546.50
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	Admin 12/24/12	Interview panel lunch	\$39.75	\$0.00		\$39.75
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PW 12/24/12	Tarps, thinner, ink, pens, toner	\$287.98	\$0.00		\$287.98
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PW 12/24/12	Kelly Moore - repair/ service - stripper	\$1,206.16	\$0.00		\$1,206.16
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PW 12/24/12	Vehicle service and wiper blades	\$1,495.26	\$0.00		\$1,495.26
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PW 12/24/12	vehicle fuel	\$590.79	\$0.00		\$590.79
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PW 12/24/12	PAPA, Calif. Pesticide renewal	\$210.00	\$0.00		\$210.00
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PW 12/24/12	chemical gloves, trash cans, batteries, bridge r	\$243.00	\$0.00		\$243.00
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PW 12/24/12	battery terminals	\$17.91	\$0.00		\$17.91
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PW 12/24/12	Library - clock and fix plugged urinal	\$187.75	\$0.00		\$187.75
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PW 12/24/12	Vehicle service	\$2,054.67	\$0.00		\$2,054.67
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PW 12/24/12	landscape fuel	\$1,213.61	\$0.00		\$1,213.61
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PD 12/24/12	memory card for car 1731	\$32.46	\$0.00		\$32.46
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PD 12/24/12	Office supplies	\$552.31	\$0.00		\$552.31
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PD 12/24/12	postage	\$5.95	\$0.00		\$5.95
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PD 12/24/12	windshield wipers/install	\$30.68	\$0.00		\$30.68
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PD 12/24/12	flashlight battery	\$20.77	\$0.00		\$20.77
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PD 12/24/12	PD satellite phone pmt - Globalstar/ web rene	\$91.73	\$0.00		\$91.73
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PD 12/24/12	vehicle fuel	\$2,270.14	\$0.00		\$2,270.14
US Bank Corp Pymt System (Cal Card)	2/5/2013	12/24/2012	PD 12/24/12	FTO class/training lunch	\$226.33	\$0.00		\$226.33
				Totals for US Bank Corp Pymt System (Cal Card):	\$14,345.78	\$0.00		\$14,345.78

City of Clayton

Cash Requirements Report

City Council 2/5/13

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
US Bank Trust National Assoc								
US Bank Trust National Assoc	2/5/2013	1/23/2013	CFD 1990-1 series 97	debt service payment CFD Dist # 1990-1 Seri	\$115,558.33	\$0.00		\$115,558.33
				Totals for US Bank Trust National Assoc:	<u>\$115,558.33</u>	<u>\$0.00</u>		<u>\$115,558.33</u>
WK McLellan Co								
WK McLellan Co	2/5/2013	12/20/2012	20812	Peacock Creek & Bigelow	\$3,862.00	\$0.00		\$3,862.00
				Totals for WK McLellan Co:	<u>\$3,862.00</u>	<u>\$0.00</u>		<u>\$3,862.00</u>
Zee Medical Company								
Zee Medical Company	2/5/2013	1/14/2013	36783	PW - Medical Supplies	\$155.45	\$0.00		\$155.45
				Totals for Zee Medical Company:	<u>\$155.45</u>	<u>\$0.00</u>		<u>\$155.45</u>
GRAND TOTALS:					\$355,578.25	\$0.00		\$355,578.25

To: De Lage Landen Financial Services, Inc.
PO Box 41602
Philadelphia, PA 19101-1602

INVOICE NUMBER	DATE	DESCRIPTION	AMOUNT	DISCOUNT	NET AMOUNT
16604680	1/12/2013	Konica Contract January 2013	\$432.68	\$0.00	\$432.68
		Totals:	\$432.68	\$0.00	\$432.68

COPY

Form # F835 To reorder, please call Blackbaud Forms at our toll free number, 800.322.6676

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD TO LIGHT TO VERIFY WATERMARK



BANK OF AMERICA, NA
11-35/1210

029138

6000 HERITAGE TRAIL, CLAYTON, CALIFORNIA 94517

CHECK DATE CHECK NO.

1/25/2013 29138

CHECK AMOUNT

\$** 432.68

PAY

Four hundred thirty two and 68/100 Dollars

TO THE
ORDER
OF

De Lage Landen Financial Services, Inc.
PO Box 41602
Philadelphia, PA 19101-1602

VOID AFTER 6 MONTHS

AUTHORIZED SIGNATURE

MP

⑈029138⑈ ⑆121000358⑆ 09825⑈04799⑈

Details on Back



Security Features Included



De Lage Landen Financial Services, Inc.



Please check here if your address has changed.
Provide new address on reverse side.

CITY OF CLAYTON
EMAIL INVOICING
6000 HERITAGE TRL
CLAYTON, CA 945171249

Remittance Section

Invoice No.	Account	Due Date
16604680	380555	02/01/2013
Due This Period	Amount Enclosed	
\$432.68	\$ 432.68	

See Statement Below

Please make check payable to

DE LAGE LANDEN
PO BOX 41602
PHILADELPHIA, PA 19101-1602

COPY

2100000166046800000432681

Keep lower portion for your records – Please return upper portion with your payment

DE LAGE LANDEN
PO BOX 41602
PHILADELPHIA, PA 19101-1602

Invoice Date
01/12/2013

Invoice Number
16604680

Account
380555

Period of Performance
01/01/2013— 01/31/2013

Contract Number
25079777

Important Messages

Please visit us online at www.lesseedirect.com to:

- Make payments
- View copies of your contract and open invoices

See Reverse for Important Information

Invoice Details			
Description	Payment Amount	Sales/Use Tax	Total Amount
PAYMENT	\$398.78	\$33.90	\$432.68
Billed this Invoice			\$432.68
Total Amount Due			\$432.68

(Please see the following pages for details.)

Asset Details						
Contract Number	Serial Number	Make / Model	Asset Number	Payment Amount	Sales/Use Tax	Total Amount
25079777	AOP0011003383	KONMIN/C652	25079777_1	\$398.78	\$33.90	\$432.68
Asset Location: 8000 HERITAGE TRL CLAYTON CONTRA COSTA CA 94517-1250 United States						
Asset Amount Total \$432.68						



ENTERED

AUTHORIZED BY 3023 DATE 1/14/13

VENDOR # 43268 ACCOUNT # 101-7331-05

AMOUNT 432.68 CITY MANAGER APPROVAL [Signature] 01-14-13



Agenda Date: 2-5-13

Agenda Item: 30

Approved: 

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Chris Thorsen, Chief of Police

DATE: February 5th, 2013

SUBJECT: DECLARATION OF EQUIPMENT SURPLUS TO THE CITY'S NEEDS

RECOMMENDATION

Declare one Police Department patrol vehicle, 2004 Ford Crown Victoria (vehicle #1726), as property surplus to the City's needs, and authorize the City Manager to dispose of the surplus and unserviceable vehicle for its most economical value.

DISCUSSION

A 2004 Ford Crown Victoria (#1726) was purchased in order to provide patrol services activities for the Police Department. The department vehicle has aged and accumulated approximately 110,000 miles during its serviceable life. The vehicle is in poor condition and has reached the age where the vehicle is not dependable to provide reliable transportation or public safety response. As a result, the vehicle has been taken out of service, and has been replaced with a new 2011 Ford Crown Victoria sedan.

Typically, the Police Department purchases one patrol vehicle per year. A patrol vehicle was purchased early in the 2012/13 budget cycle. In January of 2013, Council approved the purchase of a second patrol vehicle. This latest purchase was scheduled to take place in FY 2013/14. However, with the cancelation of the Crown Victoria platform and declining inventory, Council approved the replacement purchase early to assure we could acquire Crown Victoria from remaining dealer inventory. This latest acquisition will take the place of our intended vehicle purchase in the 2013/14 budget cycle.

Staff recommends that the City Council authorize the City Manager to dispose of the described surplus and unserviceable property by selling the property in the most economical means.

FISCAL IMPACT

Surplus patrol vehicles are typically disposed of at auction. Many factors impact what the vehicle will sell for. The last vehicle sold at auction was in need of significant repair. That vehicle sold for approximately \$1,100 dollars.

All proceeds from the sale of this surplus vehicle belong to the taxpayers (City) and will be placed into the City's Capital Equipment Replacement Fund (CERF).



Agenda Date: 2-5-13

Agenda Item: 3d

Approved:

Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY ATTORNEY

DATE: February 5, 2013

**SUBJECT: RESOLUTION ESTABLISHING PROCEDURES FOR RECORDATION OF A
CLOSED SESSION MEETING OF THE CLAYTON CITY COUNCIL**

RECOMMENDATION

Consider adoption of Resolution 2013 establishing procedures for recordation of a closed session meeting of the Clayton City Council.

BACKGROUND

At its regular City Council meeting on January 15, 2013, the City Council directed staff to prepare a resolution establishing procedures for recordation of a closed session meeting of the City Council if requested by majority vote of the City Council in closed session. That resolution is attached here for your consideration.

FISCAL IMPACT

None.

RESOLUTION NO. ____ - 2013

**A RESOLUTION ESTABLISHING PROCEDURES FOR RECORDATION OF A
CLOSED SESSION MEETING OF THE CLAYTON CITY COUNCIL**

**THE CITY COUNCIL
City of Clayton, California**

WHEREAS, the Brown Act (Government Code sections 54950, *et seq.*) allows public entities to record the closed session meetings of their governing body if the governing body adopts a resolution directing the recording of such meetings; and

WHEREAS, the City Council of the City of Clayton believes that it is desirable to record each of its closed session meetings.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CLAYTON, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Audio Recording.

By majority vote of the City Council in closed session, any closed session of the City Council may be recorded. A copy of any such recording shall be maintained by the City Clerk, or by any other staff member designated by the City Council.

Section 2. Not Disclosable.

Any recording of a closed session of the City Council shall not be disclosable under the Public Records Act.

Section 3. Effective Date.

This Resolution shall be effective immediately.

The foregoing Resolution was adopted at a regular public meeting of the City Council of Clayton, California held on the 5th day of February 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Julie K. Pierce, Mayor

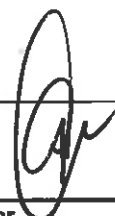
ATTEST:

Laci Jackson, City Clerk



Agenda Date: 2-5-13

Agenda Item: 3e

Approved: 

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MAINTENANCE SUPERVISOR

DATE: February 5 2013

SUBJECT: Purchase of a demo-model 2011Toro GM360 mower and 1997 Maxey Trailer

RECOMMENDATION

By minute motion, approve the purchase of a demo-model [used] 2011 Toro GM360 mower with a 2 year warranty and a 1997 Maxey Trailer in the amount of \$24,317.02

BACKGROUND

The purchase of this mower is for the replacement of an existing 1994 Toro Ground Master 325 mower used in mowing the City's large turf areas at the Community Park, North Valley Park, and Lydia Lane Park. Maintenance staff look into the replacement of this mower with a new mower having similar features and specification, including same mowing deck width (72 inches), at least the same horsepower rating (25hp) with a water cooled diesel engine, and zero turning radius(for mowing around trees). Staff found two models that fit these specifications and had them brought out to be tested at the City's parks. Both mowers performed to the standards staff was seeking but the Toro GM360 has the edge because it was found to be the more stable on the hillsides when using it within the City's parks.

While these mowers were left with the City to be tested, Maintenance staff found our existing trailer was not large enough to transport the newer style mowers; both their wheel bases were wider than our existing Ground Master 325 mower. Staff then requested a quote for a new trailer to be included with the Toro GM360 mower since it would not be practical to drive the mower on public streets to the City parks plus the mower is also not equipped to be legally driven on public roads.

PREFERRED MOWER

The Toro GM360 is available under a CMAS competitive bid contract (California Multiple Award Schedule) at a total cost of \$24,869.70, which amount is under the approved budget of \$25,000.00. However, when a new trailer was added at a cost of \$15,243.48 the total

cost rose to \$40,113.18, which made the combined package \$15,113.18 over the budgeted amount of \$25,000.00.

A few months after the original quotes the Turf Star salesman informed us that a demo unit (2011 GM360 with 243.6hrs) was going to be put up for sale plus a 1997 Maxey trailer that was used to haul the mower. After some back in forth with the salesman, Maintenance staff was able to get the demo mower unit with an extended 2 year warranty giving it the same warranty coverage as if it were a new mower for \$20,994.09 and negotiated the 1997 Maxey trailer for \$1,500.00 plus sales tax of \$1,822.93 for a grand total cost of \$24,317.02. Staff then had Turf Star bring both the trailer and mower back for inspection by staff which occurred on January 24. The mower was in new condition and the trailer for its age was in good condition with some of the wood decking worn down and a few dings in the frame but in good mechanical condition. Staff was satisfied with the condition of the equipment and wishes to proceed with the purchase.

FISCAL IMPACT

Funds were budgeted and approved for this mower replacement purchase in the FY 2012/13 Budget under the Capital Equipment Replacement Fund (CERF) for the amount of \$25,000.00. This Mower and Trailer will cost \$24,317.02 placing it within the budget amount approved.

CONCLUSION

Approve the purchase of a demo-model [used] 2011Toro GM360 mower with a two year extended warranty and 1997 Maxey Trailer from Turf Star in the amount of \$24,317.02

Attachments: 3 pp. quotes

**TURF STAR**(800) 535-8001
www.turfstar.com**QUOTE**QUOTE NO.
586056-01CUSTOMER NO.
35101104PAGE
1

DATE: 01/15/13

TO: City of Clayton
6000 Heritage Trail
Clayton, CA 94517

ATTENTION: Mark Janney

Referring to your request for prices and delivery, we are pleased to quote as follows:

QTY.	MODEL NO.	DESCRIPTION	YOUR COST	EXTENDED
Pricing is based on purchase of Demo Unit 30534 S/N 311000107 Warranty: Factory Warranty Expires 05/17/13 Approx: 243.6 Hours as of 1/15/13 Unit is subject to prior sale				
1	30534	GM360 2WD 72" SDD Diesel 36HP	19484.06	19484.06
1	30347	Recycler Kit - 72in SDD	207.55	207.55
1	30579	GM360 Front Deck Lift	254.68	254.68
1	C480	+2YR/2400HR CompCoverage TPP	1047.80	1047.80
1	special	Misc. Non-Invty special use 1997 Maxey Trailer vin# 1M9EB14F1V1104175	1500.00	1500.00

Sub-Total	22494.09
Sales Tax	1822.93
Total	24317.02

TERMS: Net 30 Days
Last Page

F.O.B.: DESTINATION

DELIVERY: 30 Days A.R.O. 1603761

Quote is firm for 30 days. Brochures enclosed. Please contact us for further information. Your representative is Mitch Frasier

***** THANK YOU *****

79-253 Country Club Drive
Bermuda Dunes, CA 92203
Fax(760) 345-4297955 Beacon Street
Brea, CA 92821
Fax(800) 776-88735646 W. Barstow Ave., Ste. 104
Fresno, CA 93722
Fax(559) 277-71232436 Radley Court
Hayward, CA 94545
Fax(510) 785-357611373 Sunrise Gold Circle
Rancho Cordova, CA 95742
Fax(800) 241-19972110 La Mirada Dr., Ste. 100
Vista, CA 92081
Fax(760) 734-4285



(800) 585-8001
www.turfstar.com



QUOTE

QUOTE NO.
583936-00

CUSTOMER NO.
35101104

PAGE
1

DATE: 06/14/12

TO: City of Clayton
6000 Heritage Trail
Clayton, CA 94517

NEW
GM 360

ATTENTION: Mark Janney

Referring to your request for prices and delivery, we are pleased to quote as follows:

QTY.	MODEL NO.	DESCRIPTION	YOUR COST	EXTENDED
CMAS PRICING				
CMAS CONTRACT# 4-07-51-0020A (mowers & grounds equipment)				
CMAS CONTRACT# 4-07-78-0036A (vehicles)				
Note: Non Contract Items/Open Market must be on a separate purchase order from CMAS contract items.				
1	30534	GM360 2WD 72" SDD Diesel 36HP	21351.93	21351.93
1	30347	Recycler Kit - 72in SDD	231.48	231.48
1	30511	Grammer Seat w/Air Ride Suspension	1040.45	1040.45
1	107-2172	CAP-DIESEL	14.16	14.16
1	30579	GM360 Front Deck Lift	336.30	336.30

Sub-Total 22974.32
Sales Tax 1895.38
Total 24869.70

TERMS: Net 30 Days

F.O.B.: DESTINATION

DELIVERY: 30 DAYS A.R.O.1532024

Last Page

Quote is firm for 30 days. Brochures enclosed. Please contact us for further information. Your representative is Mitch Frasier

***** THANK YOU *****

78-253 Country Club Drive
Bermuda Dunes, CA 92203
Fax(760) 345-4297

955 Beacon Street
Brea, CA 92821
Fax(800) 775-8873

5646 W. Barstow Ave., Ste. 104
Fresno, CA 93722
Fax(559) 277-7123

2438 Radley Court
Hayward, CA 94545
Fax(510) 785-3576

11373 Sunrise Gold Circle
Rancho Cordova, CA 95742
Fax(800) 241-1997

2110 La Mirada Dr., Ste. 100
Vista, CA 92081
Fax(760) 734-4285

**TURF STAR**(800) 585-8001
www.turfstar.com**QUOTE**QUOTE NO.
584656-00CUSTOMER NO.
35101104PAGE
1

DATE: 08/06/12

TO: City of Clayton
6000 Heritage Trail

Clayton, CA 94517

**NEW
Trailer**

ATTENTION: Mark Janney

Referring to your request for prices and delivery, we are pleased to quote as follows:

QTY.	MODEL NO.	DESCRIPTION	YOUR COST	EXTENDED
1	EWS-14-2BT	14' Beavertail Trailer 9990 LB GVW	9297.00	9297.00
1	dta	Dexter Torsion Axles 6000lb	232.00	232.00
1	n1h	Never-Lube Hubs	322.00	322.00
1	fbw-96	96in Fully Body Width	720.00	720.00
1	stf	3/16in Steel Fenders	354.00	354.00
1	rbt	24in Rear Beavertail	213.00	213.00
1	dfr	7ft Double Fold Ramps w/ Spring Assist	810.00	810.00
1	bc-15k	2 5/16in Ball Coupler	58.00	58.00
1	eh-24	Extended Hitch 24in	322.00	322.00
1	stc-ut	Spare Tire Carrier Under Tongue	103.00	103.00
1	stw	Spare Tire and Wheel	251.00	251.00
1	smj	Side Mount Swing Up Jack 5K Capacity	52.00	52.00
1	ttc	Toro Titan Tines Catalog	193.00	193.00
1	inbfrt	Inbound Freight-Delivery Fee	1250.00	1250.00

Sub-Total	14177.00
Sales Tax	1066.48
Total	15243.48

TERMS: Net 30 Days

F.O.B.: DESTINATION

DELIVERY: 30 DAYS A.R.O.1555711

Last Page

Quote is firm for 30 days. Brochures enclosed. Please contact us for further information. Your representative is Mitch Frasier

***** THANK YOU *****

79-253 Country Club Drive
Bermuda Dunes, CA 92203
Fax(760) 345-4297955 Beacon Street
Brea, CA 92821
Fax(800) 775-88735646 W. Barstow Ave., Ste. 104
Fresno, CA 93722
Fax(559) 277-71232438 Radley Court
Hayward, CA 94545
Fax(510) 785-357811373 Sunrise Gold Circle
Rancho Cordova, CA 95742
Fax(800) 241-19972110 La Mirada Dr., Ste. 100
Vista, CA 92081
Fax(760) 591-1111



Agenda Date: 2-5-13

Agenda Item: 8a

Approved:

Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Laci J. Jackson, City Clerk

DATE: February 5, 2013

SUBJECT: Appointment of Five (5) Citizen Applicants for the Trails and Landscaping Committee for terms of office January 1, 2013- December 31, 2015.

BACKGROUND

On December 31, 2012 the terms expired of Trails and Landscape Committee members Kelly Marshall, Jake Pauline and Bob Steiner. Staff notified each of the committee members their terms of office were ending, and advertised the vacancies in the Clayton Pioneer, City posting boards, and on the City's website.

Bob Steiner was the only incumbent to re-apply and applications were also received from Clayton citizens Ted Sudderth, Donald Fitzgerald, Ryan Lowe, and Clayton Smith.

The Trails and Landscaping Interview sub-committee (Vice Mayor Stratford and Councilmember Geller) reviewed the applications, held interviews on January 29th and are recommending appointment.

There are currently four (4) people serving on the Trails and Landscaping Committee (Anthony Chippero, Alyse Smith, Robert Erich, and Harun Simbirdi). The appointment of five (5) citizens will bring the membership to nine (9) on a committee that may have up to 11 appointees.

RECOMMENDATION

By motion, receive the recommendation from the Council Interview Sub-Committee regarding the nomination of five (5) citizens for appointment to the City's Trails and Landscaping Committee.

FISCAL IMPACT

None.

Attachments: Press Release- 1 page
Applications of the five (5) applicants- 6 pages

PRESS RELEASE

**City of Clayton
now accepting applications for**

TRAILS AND LANDSCAPING COMMITTEE

Office Term: January 2013- December 2014

The "Trails and Landscaping Committee" comprised of up to 11 members is appointed by the Clayton City Council. This citizens Committee advises the City Council and City Manager on maintenance, improvement and financial matters related to the 2007 Citywide Landscape Maintenance District (a community facilities district). The District has an annual budget to maintain the roadway and median public landscaped areas, public open space/hillsides of the City, annual weed abatement and seasonal fire break tasks, the Clayton Fountain, and the Trails System of the City.

For Applications and more information:

In person: Clayton City Hall
6000 Heritage Trail
By mail: call City offices at 925-673-7300
E-mail: contact ljackson@ci.clayton.ca.us
City's web site: www.ci.clayton.ca.us

Please return a completed application to the City Clerk by 5:00 p.m. Friday, December 21, 2012. Appointments are expected at the second City Council meeting in January.



Received

JAN 03 2013

City of Clayton

APPLICATION FOR
TRAILS AND LANDSCAPING COMMITTEE

Name TED SUDDERYK Address 1001 Kenston Dr. CLAYTON

Home Phone (95) 672-4377 ^{mobile} Business Phone 216-9383

E-mail address: UNKTED@AOL.COM Length of residency in Clayton 35

Occupation RETIRED Present employer RETIRED MTG. BANKER

Why are you interested in serving on this Committee? I HAVE LIVED HERE

for over 35 years and love this town. I've always
looked for ways to give back & help assure that
Clayton keeps its incredible charm

What is your vision for the trails and public landscaped areas of our City? to help insure

that our wonderful trails & landscaping continue to
be in great shape & maintained. To look to
other areas of our city that can be improved
and even see the installation of doggie bag stations
installed on some of the trail systems to keep our
trails clean for everyone to enjoy

Please share your interests and hobbies, special training or education: B.S. Degree from

Arizona State, am an avid walker & hiker, love

golf & boating. CCA member since 1988, served

on the orig. Art & Wine committee, Octoberfest & 4th
of July volunteer & current & past co-chair of the
Clayton Classic Golf Tournament

List 3 references with phone numbers: 1. JULIE PIERCE - 672-3238

2. Howard Gellar - 672-4499

3. Bob Rodenburg - 672-2921

Signature: Ted Sudberyk

Date: 1-03-2013



Received
JAN 02 2013
City of Clayton

APPLICATION FOR
TRAILS AND LANDSCAPING COMMITTEE

Name DONALD E. FITZGERALD Address 1491 Indianhead Cir - Clayton 94517

Home Phone 925 673 5221 Business Phone _____

E-mail address: Fitzgerald@Comcast.net Length of residency in Clayton 20 yrs.

Occupation Retired Present employer _____

Why are you interested in serving on this Committee? I have the time and experience to be an asset to the Committee.

What is your vision for the trails and public landscaped areas of our City? _____

To continue to make it look good, safe, and environmentally safe.

Please share your interests and hobbies, special training or education: I worked for the largest Nursery in the Buffalo, N.Y. area for years, doing sales, marketing and designing of landscape plans.

List 3 references with phone numbers: 1. Howard Geller 672 4499
2. Ed Hartley 672 3421
3. Ed. Maresin 672-1333

Signature: Donald E. Fitzgerald * * * * *

Date: 1/2/2013



Received
DEC 15 2012
City of Clayton

APPLICATION FOR
TRAILS AND LANDSCAPING COMMITTEE

Name: Robert Steiner Address: 4701 Morgan Territory Road

Home Phone 925-672-5854 Business Phone: Same

E-mail address: rws32@earthlink.net Length of residency in Clayton: 45 Years

Occupation: Retired Bank Consultant/Publisher Clayton Pioneer

Why are you interested in serving on this Committee? I believe that it is critical to maintain the outstanding working relationship with the city staff, and help develop and maintain our system. I wish to support that effort.

What is your vision for the trails and public landscaped areas of our City? My prime focus is to ensure that we maintain the current level of quality of our public trails and landscaping. Furthermore, I want to help expand the Adopt-a-Trail program.

Please share your interests and hobbies, special training or education: World history/gardening/reading/senior softball/racquetball/hiking/following all major league sports. BS in Organizational Behavior. Current member of the TLC.

List 3 references with phone numbers: 1. Howard Geller - 925-323-4913

2. Julie Pierce 925-518-4446

3. Hank Stratford 925-672- 8300

Signature:

Date: December 15, 2012

Received
DEC 18 2012
City of Clayton



APPLICATION FOR
TRAILS AND LANDSCAPING COMMITTEE

Name Ryan Lowe Address 407 Mt. Sequoia Court
Home Phone 617.653.1780 Business Phone _____
E-mail address: rlowe@pblow.net Length of residency in Clayton 3 years
Occupation Engineer Present employer Square, Inc.
Why are you interested in serving on this Committee? _____

See attached

What is your vision for the trails and public landscaped areas of our City? _____

See attached

Please share your interests and hobbies, special training or education: _____

See attached

List 3 references with phone numbers: 1. Cliff Ensley 917.912.9325
2. Joe Brant 410.378.2393
3. Robert Stojanovich 925.930.0224

Signature: _____

Date: 18 Dec 2012

Question 1:

Since moving here three years ago, my family and I have walked Clayton's trails almost every day. Even the newest addition to our family, Madeline, born one month ago, has gotten to enjoy Clayton's beautiful landscape.

Question 2:

These areas should continue to be clean, safe, and family-friendly destinations for all Clayton residents and visitors. My hope would be to continue the tradition of great work that has been done by the committee and keep Clayton's reputation as one of the most walkable small cities in America.

Question 3:

Many of my interests and hobbies are an integral part of small town life in Clayton. Last year, I participated in the Clayton Triathlon, annual Rib Cook-off, and took first in the Clayton Chili Cook-off. Years ago, as an Eagle Scout, I spent a great deal of time on trail development and maintenance. Currently, I am an engineer at a financial company in San Francisco and hold a Masters in International Studies.



Received
DEC 17 2012
City of Clayton

APPLICATION FOR
TRAILS AND LANDSCAPING COMMITTEE

Name Clayton Smith Address 8 Long Creek Circle, Clayton 94517

Home Phone 672-2529 Business Phone 925-439-2181 x3421

E-mail address: clayton@alum.calberkeley.org Length of residency in Clayton 11+ years

Occupation Professor Present employer Los Medanos College

Why are you interested in serving on this Committee? _____

You'll see me out along the city's trails almost every day, so I felt the Trails and Landscaping Committee would be a place for me to give back to the community. My interest in the city's environment is longstanding, going back to starting an ecology club at Mt. Diablo Elementary on the original Earth Day and hiking in the first Save Mt. Diablo hike-a-thon in 1973.

What is your vision for the trails and public landscaped areas of our City? _____

The focus right now should be on preserving the tremendous assets that we have, given the immediate fiscal climate. When finances improve, the first priority should be completing any deferred maintenance, then improvements as time and money may permit. Recognizing that statewide water shortages will be a recurring situation, continue the trend towards low water use landscaping that will be consistent with Clayton's established aesthetic.

Please share your interests and hobbies, special training or education: _____

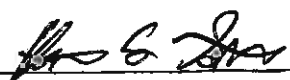
In addition to hiking in and around the state park as a member of Save Mt. Diablo, I'm also a member of the Clayton Community Library Foundation. As chair of the Computer Science Dept. at Los Medanos College I'm versed in budgeting in a public agency.

List 3 references with phone numbers: 1. Janice and Santo Alioto 925-672-7207

2. Carol Shuey 925-672-0384

3. Robert Skapura 925-933-4257 4. Rollie Katz 925-228-1600

* * * * *

Signature: 

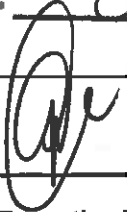
Date: December 17, 2012



Agenda Date: 2-5-13

Agenda Item: 8b

Approved:


Gary A. Napper
City Manager/Executive Director

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Laci J. Jackson, City Clerk 

DATE: February 5, 2013

SUBJECT: Second Reading and adoption of Ordinance No. 443 to Set Filing Fees for Filing and Processing of Nomination Papers and Candidate Statements for Municipal Elections.

BACKGROUND

At its January 15, 2013 meeting the Council introduced Ordinance No. 443 for First Reading.

The City Attorney drafted the attached Ordinance based on the California Election Code requirements. This Ordinance sets the candidate filing fee at \$25.00 and sets the candidate statement fee to the rate of the estimate provided by the County Elections office.

RECOMMENDATION

Following public comment, it is recommended the City Council:

1. By motion, direct the City Clerk to read Ordinance No. 443 by title and number only.
2. After reading by the City Clerk, adopt a Ordinance No. 443.

Attachments: 1. Ordinance No. 443 (3 pages)

ORDINANCE NO. 443

**Ordinance Setting Filing Fees for Filing and Processing of Nomination Papers and
Candidate's Statements**

**THE CITY COUNCIL
City of Clayton, California**

WHEREAS, Section 10228 of the California Elections Code authorizes the City to impose a fee by ordinance, not to exceed twenty-five dollars (\$25) for the filing and processing of nomination papers by each candidate for elective office in the City of Clayton ("candidate");

WHEREAS, Section 13307 of the California Elections Code authorizes each candidate to prepare a candidate's statement, in accordance with Section 13307, on an appropriate form provided by the City Clerk, to be included in the voter information pamphlet distributed to voters;

WHEREAS, Elections Code Section 13307 also authorizes the City to estimate the total cost of printing, handling, translating, and mailing the candidate's statements filed pursuant to Section 13307, and to require each candidate filing a statement to pay in advance to the City his or her estimated pro rata share as a condition of having his or her candidate statement included in the voter's pamphlet; and

WHEREAS, the City wishes to establish a fee for filing of nomination papers and candidate's statement pursuant to the above outlined authority in order to ensure that these costs are paid by the candidates and not by the City using public funds.

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

Section 1. Amendment.

Sections 2.02.20 and 2.02.30 are hereby added to Chapter 2.02 of the Clayton Municipal Code, entitled "General Municipal Election," to read as follows:

2.02.20 Nomination Papers Filing Fee.

A. Each candidate filing nomination papers for an elective office at a municipal elections held in the City, shall pay a filing fee of twenty-five dollars (\$25).

B. The filing fee imposed by Section 2.02.20A shall be paid by each candidate to the City Clerk at the time the candidate files his or her nomination papers with the City Clerk.

2.02.30 Candidate Statement; Filing and Fee.

A. Each candidate running for elective office at a municipal election held in the City and filing a candidate statement shall file his or her candidate statement at the time of filing his or her nomination papers, and shall simultaneously pay his or her estimated pro rata share of the cost of producing and distributing candidate information in the voter's pamphlet, including the cost of printing, handling, translating and mailing the candidates statements and complying with the Federal Voting Rights Act of 1965, as amended, as a condition of having his or her statement

included in the voter's pamphlet ("Estimated Candidate Statement Fee"), to the City Clerk at the time the candidate files his or her candidate statement with the City Clerk.

B. The City Clerk shall provide each candidate who pays the Estimated Candidate Statement Fee with a receipt for the payment which shall include a written notice that the Estimated Candidate Statement Fee is just an approximation of the actual cost that varies from one election to another election and that the actual fee that the candidate must pay the City may be significantly more or less than the estimate, depending on the actual number of candidates filing candidate statements ("Actual Candidate Statement Cost").

C. If the Actual Candidate Statement Cost is more than the Estimated Candidate Statement Fee, the candidate shall pay the balance of the cost incurred to the City Clerk upon request for the same. If the Actual Candidate Statement Cost is less than the Estimated Candidate Statement Fee, the City shall prorate the excess amount among the candidates and refund the excess amount paid to each candidate, on a pro rata basis, no later than 30 days after the election.

D. Notwithstanding anything else contained in this section 2.02.30, if a candidate alleges to be indigent and unable to pay the Estimated Candidate Statement Fee, the candidate shall submit to the City a statement of financial worth on a form furnished by the City Clerk, which the City shall use in determining whether or not the candidate is eligible to submit a candidate statement without payment of the Estimated Candidate Statement Fee. The statement of financial worth required by this section shall be submitted by the candidate together with his or her candidate statement in accordance with the deadline specified in Elections Code Section 13307. The candidate shall certify the content of the statement as to its truth and correctness under penalty of perjury. The candidate shall also sign a release form of the candidate's most recent federal income tax report. Upon receipt of a statement of financial worth, the City Clerk shall make a determination of whether or not the candidate is indigent. The City Clerk shall notify the candidate of its findings. If the City Clerk determines that the candidate is not indigent, the candidate shall, within three days of the notification, excluding Saturdays, Sundays, and state holidays, withdraw the statement or pay the requisite Estimated Candidate Statement Fee. If the candidate fails to respond within the time prescribed, the City shall not be obligated to print and mail the candidate statement. If the City Clerk determines that the candidate is indigent, the City shall print and mail the candidate statement. The City Clerk may bill a previously adjudged indigent candidate his or her actual pro rata share of the candidate statement cost after the election."

Section 2. Action to Challenge This Ordinance.

Any action or proceeding to attack, review, set aside, void or annul this ordinance must be commenced and the service made on the City no later than ninety (90) days after the effective date of the ordinance.

Section 3. Conflicting Ordinances Repealed.

Any ordinance or part thereof, or regulations in conflict with the provisions of this ordinance, are hereby repealed. The provisions of this ordinance shall control with regard to any provision of the Clayton Municipal Code that may be inconsistent with the provisions of this ordinance.

Section 4. Severability.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more section, subsection, sentence, clause or phrase thereof be declared unconstitutional, invalid or ineffective.

Section 5. CEQA.

The City Council finds that the adoption of this ordinance is not a "project," as defined in the California Environmental Quality Act because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and concerns general policy and procedure making.

Section 6. Notice of Exemption.

The City Council directs staff to prepare and file a Notice of Exemption no more than five (5) working days after adoption of this ordinance.

Section 7. Effective Date and Publication.

This ordinance shall become effective thirty (30) days after its adoption by the City Council. Within fifteen (15) days after the passage of the ordinance, the City Clerk shall cause a copy of the ordinance, including the names of the City Council members voting for and against it, to be posted in three (3) public places heretofore designated by resolution of the City Council for the posting of ordinances and public notices.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Clayton held on the 15th day of January 2013, and PASSED, ADOPTED AND ORDERED posted at a regular meeting of the City Council of the City of Clayton on the ___th day of _____ 2013, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

Julie K. Pierce, Mayor

ATTEST:

Laci Jackson, City Clerk



Agenda Date: 2-5-13

Agenda Item: 8c

Approved:

Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Laci J. Jackson, City Clerk 

DATE: February 5, 2013

SUBJECT: Discussion of paying off the California Public Employee's Retirement System (CalPERS) Side Fund Obligation Relating to the City's Public Safety and Miscellaneous Employees Tier 1 Plan

BACKGROUND

At the conclusion of its November 20, 2012 regular meeting, then Mayor Geller asked for a future City Council agenda item to discuss investigating how to manage the City's unfunded CalPERS pension liability. The initial thoughts were to use City (General Fund) reserves or borrow money at a lesser interest rate to pay off the balance.

This Staff Report has been generated to facilitate the City Council's informed discussion of the topic. The data and information contained in this report does not exhaust all related materials associated with this subject matter.

GENERAL INFORMATION

The City of Clayton has participated in the CalPERS retirement system since 1978. Over the years the City has made changes to the benefit plans provided to employees. Recently, the City negotiated lower pension plans (Tier II) for new hires and the State now requires a Tier III pension plan for new members to the CalPERS system effective January 2013. Similar to other cities, changes in benefits coupled with the dot-com crash in the late 1990s created an unfunded CalPERS liability for the City in regards to pension obligations for its Tier 1 Plan.

In 2003, the CalPERS implemented a requirement that all pension plans with less than 100 active members be assigned to risk-sharing pools with other agencies having similar benefit packages. The CalPERS actuary required that our City's Miscellaneous and Public Safety Plans were terminated and the employees in their Plans automatically joined new State-wide pools. The purpose of these pools was to reduce the volatility in pension costs. One of the requirements of the forced entry into these new risk-sharing pools was that the City pay any unfunded liabilities of its former Plans, either by making a lump sum payment or by repaying the liability on an installment basis. The City chose to pay off this Side Fund over time and has been paying down the cost of the Side Fund over the years. The Side Fund is

retired with a fixed amortization schedule based on CalPERS actuarial earnings assumption rate of 7.75% through fiscal year 2011-2012, and 7.5% effective fiscal year 2012-13 and thereafter. It is a fixed-cost liability and once retired, that debt obligation ceases.

FISCAL IMPACT

Once the Side Fund was created, the City has been reducing its liability each year (as shown in Attachment 1). The City's Miscellaneous Plan Side Fund balance is estimated to \$448,000 as of June 30, 2012. At the current rate of retirement, the balance should be paid off by June 30, 2020 as it is a portion of the current Miscellaneous Plan employer's rate. It is equal to 5.949% of the Employer rate for fiscal year 2012-2013.

The City's Public Safety Side Fund balance is estimated to be \$771,000 as of June 30, 2012. This balance should be paid off as of June 30, 2018 through a percentage of the CalPERS Public Safety Plan employer rate. It is equal to 16.873% for the Employer rate for fiscal year 2012-2013 (see below):

Miscellaneous Employees	
Employer Premium	7.720%
Pools unfunded liability (cannot be paid off)	1.996%
Side-fund	5.949%
Total	15.665%

Public Safety	
Employer Premium	15.524%
Pools unfunded liability (cannot be paid off)	4.533%
Side-fund	16.873%
Total	36.930%

There is no penalty for paying off the Side Funds early and it can be done at any time without any fees being assessed by CalPERS. Once these funds are paid off there would not be any additional Side Fund obligations added unless the City was to increase public pension benefits.

OPTIONS

The Council could consider the following options:

- The Council could choose to pay off the side-funds (\$1,219,000) from the General Fund Reserve balance.
- If the Council wants to consider financing options such as a Pension Obligation Bond (POB) or other loan options, this work would need to be contracted out to a certified investment banking firm and bonding company. The City of Pleasant Hill highly recommended Brandis Tallman LLC, a firm that provides bond underwriting and placement agent services to public agencies, to evaluate various options. The cost for providing all services related with the City of Pleasant Hill's Pension Bond issuance was \$94,131.20 (as shown in the attachments).

- The City Council could choose to make no changes and continue to pay-off the liability over time as it has been for the last ten years.

RECOMMENDATION

Provide direction to staff.

Informational Attachments:

1. Side Fund Chart
2. City of Pleasant Hill's Staff report on Refinancing their Side-Fund
3. City of Santa Cruz Staff report on Issuing Pension Obligation Bonds for their Side-Fund
4. Article on Pension Obligation Bonds
5. Tier II Plan Rates

CalPERS UNFUNDED LIABILITY – TIER 1 (aka. Side Fund)*
City of Clayton, CA

UNIT	JUNE 2012	JUNE 2011	JUNE 2010	JUNE 2004	JUNE 1999	JUNE 1994
Public Safety	\$ 770,449	\$ 853,030	\$ 925,328	\$1,158,768	\$ 88,430	\$ 605,835
Miscellaneous	\$ 447,669	\$ 478,096	\$ 504,363	\$ 549,429	(\$ 579,148)	(\$ 7,213)
Totals	\$1,218,118	\$1,331,126	\$1,429,691	\$1,708,197	(\$ 490,718)	\$ 598,622

* “Unfunded Liability” is the amount the City’s CalPERS actuarial annually determines is owed in addition to current payment. The liability due is being amortized (paid down at approx. \$100k+ per year) through the City’s current CalPERS’ rates; a portion of the Employer rate goes to retire this liability.

Notes:

1. This October 2012 data is the latest information released by CalPERS; there is always a one year time lag in its generation of this data, which is based on an Annual Valuation Report as of 30 June 2011.
2. The City altered its CalPERS retirement plans in early 2001, moving from 2% at 60 to 2% at 55 for the Miscellaneous Unit, and from 2% at 50 to 3% at 55 for the Public Safety Unit. Neither of those Plans is the premium pension plan offered by CalPERS for either Unit.
3. In January 2011 the City Council enacted a contract that new employees of this City be enrolled in the 2% at 60 [Tier 2] pension plan for the Miscellaneous Unit and the 2% at 50 [Tier 2] pension plan for the Public Safety Unit.
4. Numbers bracketed or in **green** indicate that particular plan had a surplus balance at the time (referred to as “superfunded”).
5. Public Safety (Tier 1) rate for Employer in FY 2013-14 will be 38.163%, up 1.233 points from FY 2012-13 (rate was 36.930%; a 3.34% rate jump). CalPERS estimates the FY 2014-15 Employer Rate will rise to 39.7% (4.03% increase). The Employee portion of 9% currently paid by the City is in addition to this rate (combined = 47.163% for FY 13-14). The unfunded liability (Side Fund), as noted on the chart above, represents 17.389 points of the Employer Rate and the pool’s unfunded liability equals 4.963 points of the Rate (this amount cannot be paid off).
6. Misc. Unit (Tier 1) rate for Employer in FY 2013-14 will be 16.445%, up 0.78 points from FY 2012-13 (rate was 15.665%; a 4.98% rate jump). CalPERS estimates the FY 2014-15 Employer Rate will rise to 17.3% (5.2% increase). The Employee portion of 7% currently paid by the City is in addition to this rate (combined = 23.445%). The unfunded liability (Side Fund), as noted on the chart above, represents 6.163 points of the Employer Rate and the pool’s unfunded liability represents 2.23 points of the Rate (this amount cannot be paid off).



CITY COUNCIL STAFF REPORT

Meeting Date: October 1, 2012

City of Pleasant Hill

TO: THE HONORABLE MAYOR AND CITY COUNCILMEMBERS

SUBJECT: CONSIDERATION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANT HILL DIRECTING IMPLEMENTATION OF PROCEEDINGS FOR THE REFINANCING OF THE CALIFORNIA PUBLIC EMPLOYERS' RETIREMENT SYSTEM (CALPERS) SIDE FUND OBLIGATION RELATING TO THE CITY'S SAFETY PLAN

SYNOPSIS

Consideration of a resolution directing the implementation of proceedings for the refinancing of the Public Safety CalPERS Side Fund.

DISCUSSION

Background

In 2003, the California Public Employees' Retirement System (CalPERS) implemented a requirement that all pension plans with less than 100 active members be assigned to risk-sharing pools with other agencies having similar benefit packages. As required by State law, effective July 1, 2005, the City's Miscellaneous and Public Safety Plans were terminated, and the employees in these plans were required to join new State-wide pools. The purpose of these pools was to reduce the volatility in pension costs so that a larger group would share the impact of a catastrophic demographic event. One of the conditions of entry into these new risk-sharing pools was that the City true-up any unfunded liabilities in the former Plans, either by making a lump sum payment or by repaying the liability on an installment basis. The side fund is distinct from the City's other CalPERS plans and liabilities. The side fund is retired over a fixed term with a fixed amortization schedule based on CalPERS actuarial earnings assumption rate of 7.75% through fiscal year 2012-13, and 7.5% effective fiscal year 2013-14 and thereafter.

The City's Miscellaneous Plan side fund balance is estimated to be \$2,819,922 as of June 30, 2012. This balance is being amortized over the next 17 years and is a percentage of the miscellaneous plan employer's rate. It is equal to 2.641% of the Employer rate for fiscal year 2012/2013. The City's Public Safety side fund balance is estimated to be \$4,113,481 as of June 30, 2012. This balance is being amortized over the next 12 years and is a percentage of the CalPERS public safety plan employer's rate. It is equal to 9.033% of the Employer rate for fiscal year 2012/2013.

CONSIDERATION OF A RESOLUTION
DIRECTING IMPLEMENTATION OF
PROCEEDINGS FOR REFINANCING OF
PUBLIC SAFETY CALPERS SIDE FUND
OBLIGATION
October 1, 2012
Page 2

Over the past few years, the City has been experiencing significant declines in yields earned on its investments. Since CalPERS is charging an interest rate that is higher than the rate earned on the City's portfolio, it is prudent for the City to consider options to pay off all or a portion of the City's side fund obligation. In May, 2012, the City engaged the services of Brandis Tallman LLC, a full service investment banking firm that provides bond underwriting and placement agent services to public agencies to evaluate various options. Since that time, the Budget Committee has met several times to evaluate the analyses prepared by Brandis Tallman. Various options were also discussed with the City Council during a special City Council meeting on June 25, 2012 at which time City Council directed staff to further evaluate scenarios for the payoff of the Public Safety side fund only.

Analysis

For the refinancing to provide the City cost savings, the interest rate, including the cost of issuance, must be significantly less than the interest rate CalPERS charges to amortize the side fund. The base scenario for the option selected regarding the payoff of the Public Safety side fund is summarized as follows:

- The issuance amount: \$4,208,000
- Interest rate: 3.50%, subject to change with market conditions
- All-in true interest cost: 4.35% (interest rate plus costs of issuance)
- Total savings: \$1,539,860 over 12 years
- Net present value savings: \$717,336 over 12 years
- Payoff: 5 years (shortened by 7 years)

With the above assumptions, if the City were to pay off the Public Safety side fund by securing funding through a loan, the total debt service for a five year period would be approximately \$4,631,413. If the City continued to pay off this obligation over time (i.e. next 12 years) the total payments would be approximately \$6,171,273. By securing funding through a loan (either a private placement bond or pension obligation bond), the City would achieve total savings of \$1,539,860 or \$717,336 in net present value savings.

Because of the shortening of the term, the cost to the City in the first five years would be approximately \$481,418 per year. The savings in the last seven years would be about \$563,850 per year. While we achieve significant savings over the 12 year term, due to the initial cash outflow required during the first five years, we are projecting it is possible the General Fund balance will temporarily decline below the City Council designated fund balance of \$8.3 million to \$6.2 million in fiscal year 2016/2017. However, due to the estimated savings being generated for the last seven years, the \$8.3 million fund balance is projected to be restored by fiscal year 2020/2021. In the event the fund balance should decline below the \$8.3 million, upon completion of the validation process and the final

CONSIDERATION OF A RESOLUTION
DIRECTING IMPLEMENTATION OF
PROCEEDINGS FOR REFINANCING OF
PUBLIC SAFETY CALPERS SIDE FUND
OBLIGATION
October 1, 2012
Page 3

approval of the side fund refunding, the City Council will need to take action to adjust the designated minimum unreserved fund balance.

By comparison, if the City chose to restructure its Public Safety side fund with CalPERS to a 5 year term, shortening the amortization by 7 years, it would save \$1,247,471 over 12 years, or \$453,181 in net present value savings.

If the City chose to pay an additional \$500,000 to CalPERS over the next 5 years but kept with the 12 year total amortization, the savings would be \$940,891 over time, or \$327,219 in net present value savings.

If directed to proceed with the refinancing loan, staff is recommending the City hire the expert consultants to perform the technical work associated with this type of financial transaction. Included in the attached resolution the City Council is being asked to adopt a resolution to allow staff to enter into agreements for consulting services with the following firms in the following capacities: Bond Counsel-Jones Hall and Placement Agent-Brandis Tallman LLC. All fees associated with this transaction would be paid from bond proceeds. All fees are contingent upon the successful closing of the refunding loan with the exception of validation costs which are estimated at \$7,500.

The financing team would begin drafting documents to reflect the financial structure of the transaction and determine the best lender for the refinancing loan. The best lender will likely be determined based on interest rate and financing terms. Within about a month, the documents will be brought back before Council for consideration. If approved at that time, the process of validation will begin.

Judicial validation must be undertaken and completed to issue pension obligation bonds in California. The validation process results in a binding judgment rendered by the local superior court supporting the legal theory under which the bonds are issued. The legal theory relies on the interpretation of the State Law that the refunding of any unfunded liability owed to CalPERS constitutes an obligation imposed by law and therefore is exempt from the voter approval requirement of the California Constitution's debt limitation. The judgment rendered at the conclusion of the validation process becomes forever binding and conclusive. This process takes at least 90 days.

After the completion of validation, the interest rate can be locked in, and the refinancing loan can close in about two weeks.

Because the process of validation is lengthy, there is risk that market conditions may change, or certain other dynamics may develop that would cause the results of refinancing to become unfavorable. In addition, John Bartel, Bartel Associates LLC, advised the City CalPERS may implement changes to the side fund due to the recently

**CONSIDERATION OF A RESOLUTION
DIRECTING IMPLEMENTATION OF
PROCEEDINGS FOR REFINANCING OF
PUBLIC SAFETY CALPERS SIDE FUND
OBLIGATION**

October 1, 2012

Page 4

signed Pension Reform, or otherwise, that may unfavorably affect the refunding results. We will continue to monitor the market and changes by CalPERS, if any, and will update the refunding analysis accordingly throughout the process. Should any event occur that impacts the refunding so that desired results are not achieved, or should the City simply choose not to move forward, the transaction can be terminated or suspended at any time.

FISCAL IMPACT

All fees are contingent upon the successful closing of the refunding loan with the exception of validation costs which are estimated at \$7,500. Fees associated with the cost of issuance would be payable upon the completion of the refinancing and would be paid from bond proceeds. If no Bonds are issued, the City will be committed to pay the Bond Counsel Jones Hall \$7,500 for the validation judgment. The validation judgment becomes forever binding and conclusive, and it does not expire.

PUBLIC CONTACT

Public contact was made through posting of the City Council Agenda on the City's official notice bulletin board, posting of the agenda and staff report on the City's web page, and availability of the agenda and staff report in the City Clerk's office, at the County Central Library, and at the Pleasant Hill Police Department.

ALTERNATIVES TO RECOMMENDED ACTION

Do not approve the attached Resolution directing the implementation of proceedings for the refinancing of the Public Safety Plan's CalPERS Side Fund Obligation.

RECOMMENDED CITY COUNCIL ACTION

Approve the attached Resolution directing the implementation of proceedings for the refinancing of the Public Safety Plan's CalPERS Side Fund Obligations.

Prepared by: Mary Mc Carthy
Finance Manager

Reviewed by: June Catalano
City Manager

Attachments: Resolution with Attached Reports

BRANDIS TALLMAN LLC

22 Battery Street
Suite 500
San Francisco, CA 94111

Phone: 415-912-5630
Fax: 415-912-5636
www.brandistallman.com

Mary McCarthy, Finance Manager
City of Pleasant Hill

Via E-MAIL September 24, 2012

RE: Side Fund Analysis for the City's Safety Plans

Please allow this memo and corresponding analysis to serve as an addition to the analysis that was presented to the City last spring, and discussed with the Budget Committee and Council throughout June. During those discussions, it was requested that staff analyze additional scenarios for the payoff of its Safety Side Fund only. The numbers herewith also include changes since last spring in Safety projected payroll per recent negotiations. These scenarios include:

- 1) Payoff the Safety Plan by taking out a new loan (via private placement refunding), while shortening the term to 5 years from 12 years (shorten by 7 years).**

This scenario provides approximately \$1.540 million of total savings. The cost per year for the first 5 years is about \$481,418 and the savings per year for the last 7 years are about \$563,850. The net present value (NPV) savings are estimated at \$717,336 or 17.44%.

- 2) Payoff CalPERS in 5 years rather than 12.**

CalPERS provided an amortization showing this new loan. This scenario provides approximately \$1.247 million of total savings. The cost per year for the first 5 years is about \$539,895 and the savings per year for the last 7 years are about \$563,850. The net present value (NPV) savings are estimated at \$453,181 or 11.02%.

- 3) Pay CalPERS an additional \$500,000 per year for 5 years but keep the existing 12 year term.**

CalPERS provided an amortization showing this new loan. This scenario provides approximately \$940,891 of total savings. The cost per year for the first 5 years is about \$393,176 and the savings per year for the last 7 years are about \$415,253. The NPV savings are estimated at \$327,219 or 7.95%. You will note that CalPERS changes its amortization altogether under this scenario, rather than just adding \$500,000 per year to the existing schedule. After year 5 (June 30, 2017), there is approximately \$809,107 of principal outstanding.

We look forward to further discussions on the City's Side Fund.

Sincerely,

Nicki Tallman

Rick Brandis

CITY OF PLEASANT HILL - CalPERS Side Fund Refunding
Private Placement Refunding and CalPERS Payoff Scenarios for Safety Plan
Summary as of September 24, 2012

	Private Plcmt Loan 5 Year Term	CalPERS 5 Year Term	CalPERS Additional \$500K Annual Contribution for First 5 Years
REFUNDING LOAN			
Loan Payoff Amount	4,113,481	4,113,481	4,113,481
Costs of Issuance	94,519	0	0
Par Amount	4,208,000	4,113,481	4,113,481
Arbitrage Yield	3.50%		
All-In True Interest Cost	4.35%		
TOTAL DEBT SERVICE			
Refunding Loan	4,631,413	4,923,802	5,230,382
Existing (No change in existing CalPERS payments)	6,171,273	6,171,273	6,171,273
Savings	1,539,860	1,247,471	940,891
NPV Savings	717,336	453,181	327,219
Final Maturity (June 30)	2017	2017	2024
Outstanding Side Fund Balance at June 30, 2017	0	0	809,107
AVERAGE FISCAL YEAR SAVINGS / (COST)			
First 5 Years - New/Recalculated Debt Service	926,283	984,760	838,041
First 5 Years - Existing Debt Service	444,865	444,865	444,865
First 5 Years - Savings/(Cost)	(481,418)	(539,895)	(393,176)
Last 7 Years - New/Recalculated Debt Service	0	0	148,597
Last 7 Years - Existing Debt Service	563,850	563,850	563,850
Last 7 Years - Savings	563,850	563,850	415,253

SOURCES AND USES OF FUNDS
City of Pleasant Hill
2012 CalPERS Side Fund Refunding Safety Plan 5 Year Term

Sources:

Bond Proceeds:

Par Amount	4,208,000.00
	<u>4,208,000.00</u>

Uses:

Project Fund Deposits:

Side Fund Payoff @ 6/30/2012	4,113,481.00
------------------------------	--------------

Delivery Date Expenses:

Cost of Issuance	94,131.20
------------------	-----------

Other Uses of Funds:

Rounding	387.80
	<u>4,208,000.00</u>

COST OF ISSUANCE
City of Pleasant Hill
2012 CalPERS Side Fund Refunding Safety Plan 5 Year Term

<u>Cost of Issuance</u>	<u>Amount</u>
Bond Counsel	35,000.00
Placement Agent	35,000.00
Bond Counsel Validation	7,500.00
Lender's Legal Counsel	12,500.00
CDIAC	631.20
Misc./Contingency	3,500.00
	<u>94,131.20</u>

BOND SUMMARY STATISTICS

City of Pleasant Hill

2012 CalPERS Side Fund Refunding Safety Plan 5 Year Term

Dated Date 6/30/2012
 Delivery Date 6/30/2012
 Last Maturity 6/30/2017

Arbitrage Yield 3.500000%
 True Interest Cost (TIC) 3.500000%
 Net Interest Cost (NIC) 3.500000%
 All-In TIC 4.348483%
 Average Coupon 3.500000%

Average Life (years) 2.875

Par Amount 4,208,000.00
 Bond Proceeds 4,208,000.00
 Total Interest 423,412.50
 Net Interest 423,412.50
 Total Debt Service 4,631,412.50
 Maximum Annual Debt Service 975,955.00
 Average Annual Debt Service 926,282.50

Underwriter's Fees (per \$1000)

Average Takedown

Other Fee

Total Underwriter's Discount

Bid Price 100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	4,208,000.00	100.000	3.500%	2.875
	4,208,000.00			2.875

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,208,000.00	4,208,000.00	4,208,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-94,131.20	
- Other Amounts			
Target Value	4,208,000.00	4,113,868.80	4,208,000.00
Target Date	6/30/2012	6/30/2012	6/30/2012
Yield	3.500000%	4.348483%	3.500000%

BOND DEBT SERVICE
City of Pleasant Hill
2012 CALPERS Side Fund Refunding Safety Plan 5 Year Term

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/30/2012	372,000	3.500%	73,640.00	445,640.00	
6/30/2013	372,000	3.500%	67,130.00	439,130.00	884,770.00
12/30/2013	393,000	3.500%	60,620.00	453,620.00	
6/30/2014	394,000	3.500%	53,742.50	447,742.50	901,362.50
12/30/2014	414,000	3.500%	46,847.50	460,847.50	
6/30/2015	413,000	3.500%	39,602.50	452,602.50	913,450.00
12/30/2015	450,000	3.500%	32,375.00	482,375.00	
6/30/2016	449,000	3.500%	24,500.00	473,500.00	955,875.00
12/30/2016	476,000	3.500%	16,642.50	492,642.50	
6/30/2017	475,000	3.500%	8,312.50	483,312.50	975,955.00
	4,208,000		423,412.50	4,631,412.50	4,631,412.50

SAVINGS SCHEDULE
City of Pleasant Hill
2012 CALPERS Side Fund Refunding Safety Plan 5 Year Term

Period Ending	Semi-Annual Debt Service	Annual Debt Service	Semi-Annual Existing Side Fund Payments	Annual Existing Side Fund Payments	Annual (Savings)	Net Present Value (Savings)
12/30/2012	445,640.00		201,909.60			239,538.48
6/30/2013	39,130.00	884,770.00	201,909.60	403,819.19	480,950.81	229,130.66
12/30/2013	453,620.00		210,111.36			231,159.16
6/30/2014	447,742.50	901,362.50	210,111.36	420,222.73	481,139.77	221,699.99
12/30/2014	460,847.50		215,888.15			224,606.30
6/30/2015	452,602.50	912,450.00	215,888.15	431,776.30	481,673.70	213,313.37
12/30/2015	482,375.00		236,994.76			217,319.48
6/30/2016	473,500.00	955,875.00	236,994.76	473,989.51	481,885.49	205,856.90
12/30/2016	492,642.50		247,258.63			209,911.51
6/30/2017	483,312.50	975,955.00	247,258.63	494,517.25	481,437.75	198,457.24
12/30/2017			255,918.71			(211,457.67)
6/30/2018			255,918.71	511,837.42	(511,937.42)	(207,820.81)
12/30/2018			265,529.74			(211,916.97)
6/30/2019			265,529.74	531,059.48	(531,059.48)	(208,272.21)
12/30/2019			273,495.63			(210,830.73)
6/30/2020			273,495.63	546,991.27	(546,991.27)	(207,204.75)
12/30/2020			281,700.50			(209,750.26)
6/30/2021			281,700.50	563,401.00	(563,401.00)	(206,142.77)
12/30/2021			290,151.52			(208,675.23)
6/30/2022			290,151.52	580,303.03	(580,303.03)	(205,086.22)
12/30/2022			298,856.06			(207,603.71)
6/30/2023			298,856.06	597,712.12	(597,712.12)	(204,035.10)
12/30/2023			307,821.74			(206,541.67)
6/30/2024			307,821.74	615,643.49	(615,643.49)	(202,989.36)
	4,631,412.50	4,631,412.50	5,171,272.80	6,171,272.80	(1,539,860.30)	(717,336.45)

Net Present Value Savings % 17.44%



Actuarial Office
P.O. Box 1494
Sacramento, CA 95812-1494
Telecommunications Device for the Deaf - (916) 795-3240
(888) CalPERS (225-7377) FAX (916) 795-2744

August 10, 2012

CalPERS ID: 7166539881
Employer Name: CITY OF PLEASANT HILL
Rate Plan: SAFETY

Re: Employer Side Fund Schedule

Dear Requestor:

As requested, the following is the amortization schedule of your current side fund.

If you are aware of others interested in this information (i.e. payroll staff, county court employees, port districts, etc.), please inform them.

The information is based on the most recent annual valuation and no further contractual or financing changes taking effect before June 30, 2013.

Employer Side Fund Reconciliation	
Side Fund as of 6/30/2012	\$ (4,113,481)
Side Fund Payment 12-13	928,352
Side Fund as of 6/30/2013	\$ (3,459,457)
Side Fund Payment 13-14	955,021
Side Fund as of 6/30/2014	\$ (2,728,729)
Side Fund Payment 14-15	983,671
Side Fund as of 6/30/2015	\$ (1,913,492)
Side Fund Payment 15-16	1,013,181
Side Fund as of 6/30/2016	\$ (1,006,515)
Side Fund Payment 16-17	1,043,577
Side Fund as of 6/30/2017	\$ 0

If you have questions, please feel free to call me at (916) 795-1262.

Fritzie Archuleta

Fritzie Archuleta, ASA, MAAA
Senior Pension Actuary, CalPERS

enc.



Actuarial Office
P.O. Box 1494
Sacramento, CA 95812-1494
Telecommunications Device for the Deaf - (916) 795-3240
(888) CalPERS (225-7377) FAX (916) 795-2744

July 18, 2012

CalPERS ID: 7166539881
Employer Name: CITY OF PLEASANT HILL
Rate Plan: SAFETY

Re: Employer Side Fund Schedule

Dear Requestor:

As requested, the following is the amortization schedule of your current side fund.

If you are aware of others interested in this information (i.e. payroll staff, county court employees, port districts, etc.), please inform them.

The information is based on the most recent annual valuation and no further contractual or financing changes taking effect before June 30, 2013.

Employer Side Fund Reconciliation	
Side Fund as of 6/30/2012	\$ (4,113,481)
Side Fund Payment 12-13	445,079
Extra Side Fund Payment 12/31/2012	500,000
Side Fund as of 6/30/2013	\$ (3,442,113)
Side Fund Payment 13-14	398,134
Extra Side Fund Payment 12/31/2013	500,000
Side Fund as of 6/30/2014	\$ (2,769,066)
Side Fund Payment 14-15	345,412
Extra Side Fund Payment 12/31/2014	500,000
Side Fund as of 6/30/2015	\$ (2,100,204)
Side Fund Payment 15-16	285,341
Extra Side Fund Payment 12/31/2015	500,000
Side Fund as of 6/30/2016	\$ (1,443,460)
Side Fund Payment 16-17	216,240
Extra Side Fund Payment 12/31/2016	500,000
Side Fund as of 6/30/2017	\$ (809,107)
Side Fund Payment 17-18	135,750
Side Fund as of 6/30/2018	\$ (729,041)
Side Fund Payment 18-19	139,822
Side Fund as of 6/30/2019	\$ (638,749)
Side Fund Payment 19-20	144,017
Side Fund as of 6/30/2020	\$ (537,335)
Side Fund Payment 20-21	148,337

Side Fund as of 6/30/2021	\$ (423,836)
Side Fund Payment 21-22	152,787
Side Fund as of 6/30/2022	\$ (297,210)
Side Fund Payment 22-23	157,371
Side Fund as of 6/30/2023	\$ (156,336)
Side Fund Payment 23-24	162,092
Side Fund as of 6/30/2024	\$ 0

If you have questions, please feel free to call me at (916) 795-1262.

Fritzie Archuleta

Fritzie Archuleta, ASA, MAAA
Senior Pension Actuary, CalPERS

enc.

CITY OF PLEASANT HILL - SAFETY PLAN

**Payroll Projections & Corresponding Future Side Fund Payments
For Discussion Purposes Only 9-24-12**

Year	CalPERS Projected Payroll (1)	CalPERS Projected Side Fund Payments	Volatility Rate	City Provided Payroll (2)	City Projected Side Fund Payments	Volatility Rate
2009-10				4,451,140		
2010-11	4,793,882	417,501	8.71%	4,509,401		8.71%
2011-12	4,999,415	431,070	8.62%	4,633,410		8.62%
2012-13	4,927,205	445,079	9.03%	4,445,200	403,819	9.08%
2013-14	5,075,021	458,097	9.03%	4,520,152	420,223	9.30%
2014-15	5,227,272	471,839	9.03%	4,633,156	431,776	9.32%
2015-16	5,384,090	485,995	9.03%	4,737,402	473,990	10.01%
2016-17	5,545,613	500,574	9.03%	4,879,524	494,517	10.13%
2017-18	5,711,981	515,592	9.03%	5,025,910	511,837	10.18%
2018-19	5,883,340	531,059	9.03%	5,176,687	531,059	10.26%
2019-20	6,059,841	546,991	9.03%	5,331,987	546,991	10.26%
2020-21	6,241,636	563,401	9.03%	5,491,947	563,401	10.26%
2021-22	6,428,885	580,303	9.03%	5,656,706	580,303	10.26%
2022-23	6,621,752	597,712	9.03%	5,826,407	597,712	10.26%
2023-24	6,820,404	615,643	9.03%	6,001,199	615,643	10.26%
Total 2012-13 thru 2023-24		6,312,286			6,171,273	

(1) Based on CalPERS valuation reports thru 2012-13 and an increase of 3% thereafter.

(2) Based on City actual/projection through 2015-16 and 3% thereafter.

CITY OF PLEASANT HILL - SAFETY PLAN

Employer Side Fund Amortization - Including March 2012 CalPERS Changes to Earnings and Growth Rates

	PV	NPER	R1	R2	SFPMT	FV
	Beginning Side Fund Balance	Remaining Payment Period	Earnings Rate	Employer Contribution Growth Rate	Side Fund Payment	Ending Side Fund Balance

March 2012 Earnings rate
change estimate

	Pre March 2012 CalPERS Annual Pymt. Estim.	Post March 2012 CalPERS Annual Pymt. Estim.	Difference
2009-10	\$ 431,070	\$ 431,070	\$ 0
2010-11	\$ 445,080	\$ 445,078	\$ 0
2011-12	\$ 459,545	\$ 458,097	\$ 1,448
2012-13	\$ 474,480	\$ 471,839	\$ 2,641
2013-14	\$ 489,901	\$ 485,985	\$ 3,908
2014-15	\$ 505,822	\$ 500,574	\$ 5,248
2015-16	\$ 522,262	\$ 515,592	\$ 6,670
2016-17	\$ 538,235	\$ 531,059	\$ 8,176
2017-18	\$ 556,780	\$ 546,981	\$ 9,799
2018-19	\$ 574,855	\$ 563,401	\$ 11,454
2019-20	\$ 593,538	\$ 580,303	\$ 13,235
2020-21	\$ 612,828	\$ 597,712	\$ 15,116
2021-22	\$ 632,745	\$ 615,643	\$ 17,101
2022-23			
2023-24			

Difference Relating to Earnings and Growth Rate Changes Made by CalPERS in March of 2012 \$ 94,783

9/18/2012

Pleasant Hill Employer SF Rec. Incl. 3-2012 CalPERS changes 9-18-12

RESOLUTION NO. 75 - 12

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANT HILL,
DIRECTING IMPLEMENTATION OF PROCEEDINGS FOR THE REFINANCING
OF THE CALPERS SIDE FUND OBLIGATION RELATING TO THE CITY'S
PUBLIC SAFETY PLAN**

WHEREAS, the City Council of the City of Pleasant Hill (the "City") is considering the issuance of its 2012 Taxable Pension Obligation Bonds or 2012 Loan Agreement (the "Bonds"), in the approximate principal amount of \$4,208,000 in order to achieve interest savings through the refinancing of its California Public Employers' Retirement System (CalPERS) side fund obligation under its CalPERS Public Safety Plan; and

WHEREAS, as a condition precedent to the issuance of the bonds, the validity of the Bonds must be confirmed by a judicial validation action pursuant to the provisions of Sections 860 *et seq.* of the California Code of Civil Procedure; and

WHEREAS, the City Council desires that the following act with respect to the proposed Bonds: namely, that Brandis Tallman LLC act as placement agent with respect to the private placement of the Bonds (the "Placement Agent"), and that Jones Hall, A Professional Law Corporation, act as bond counsel with respect to the proceedings for the judicial validation of the Bonds and for the issuance, sale and delivery of the bonds (the "Bond Counsel").

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Pleasant Hill as follows:

Section 1. **Implementation of Financing.** The City staff with the assistance of the Placement Agent and the Bond Counsel shall prepare proceeding for the issuance of the Bonds. All such proceedings shall, upon preparation, be submitted to the City Council for final approval.

Section 2. **Placement Agent and Bond Counsel.** The City Council hereby appoints Brandis Tallman LLC as Placement Agent for the Bonds and Jones Hall, A Professional Law Corporation, as Bond Counsel. Fees and expenses to be paid to the foregoing for services shall be provided in engagement letters or agreements provided by the foregoing for approval by the City prior to the delivery of the Bonds.

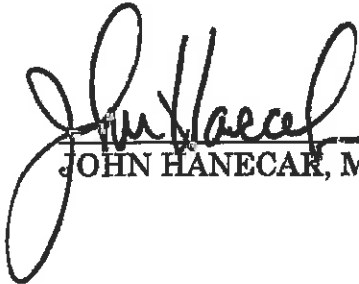
Section 3. **Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

ADOPTED by the City Council of the City of Pleasant Hill at a regular meeting of the Council held on the 1st day of October, 2012, by the following vote:

AYES: Durant, Harris, Weir, Hanecak

NOES: None

ABSENT: None



JOHN HANECAR, Mayor

ATTEST:



MARTY C. MCINTURF, City Clerk

APPROVED AS TO FORM:



JANET E. COLESON, Interim City Attorney

COST OF ISSUANCE
City of Pleasant Hill
2012 CalPERS Side Fund Refunding Safety Plan 5 Year Term

<u>Cost of Issuance</u>	<u>Amount</u>
Bond Counsel	35,000.00
Placement Agent	35,000.00
Bond Counsel Validation	7,500.00
Lender's Legal Counsel	12,500.00
CDIAC	631.20
Misc. Contingency	3,500.00
	<u>94,131.20</u>

SOURCES AND USES OF FUNDS
City of Pleasant Hill
2012 CalPERS Side Fund Refunding Safety Plan 5 Year Term

Sources:

Bond Proceeds:

Par Amount	4,208,000.00
	4,208,000.00

Uses:

Project Fund Deposits:

Side Fund Payoff @ 6/30/2012	4,113,481.00
------------------------------	--------------

Delivery Date Expenses:

Cost of Issuance	94,131.20
------------------	-----------

Other Uses of Funds:

Rounding	387.80
	4,208,000.00



CITY COUNCIL AGENDA REPORT

DATE: July 20, 2010

AGENDA OF: August 3, 2010

DEPARTMENT: Finance

SUBJECT: Pension Obligation Bonds. (FN)

RECOMMENDATION: Resolution authorizing the issuance of pension obligation bonds to refinance the outstanding Side Fund obligations of the City to the California Public Employees' Retirement System.

BACKGROUND: The City has a CalPERS "Side Fund" obligation for its existing police and fire employee pension benefits. The City has an opportunity to reduce the annual cost to the General Fund for its CalPERS Side Fund obligation. If the City chooses to use this opportunity, it would issue taxable pension obligation bonds ("POB") secured by the General Fund to prepay its CalPERS Side Fund obligation. Under current bond market conditions, estimated annual debt service on the Side Fund POB would be significantly less than the annual payments scheduled to be paid from the General Fund to CalPERS for this same purpose. The amortization period on the POB would be the same as the amortization period used by CalPERS for the Side Fund. The proposed transaction would refinance an existing obligation to take advantage of low bond market rates. It would not change the benefits owed to existing or prior City employees.

Background on CalPERS Side Fund Obligations: In April 2003 (effective September 2003) the City increased pension benefits for police and fire employees through a "3% at 50" plan, as did many other cities in California. At about the same time, CalPERS combined the retirement plans for all public agencies with "small" plans (less than 100 employees – like Santa Cruz's police and fire plans) to reduce the volatility of employer contribution rates. CalPERS also created for each member agency a so-called Side Fund to amortize each agency's June 30, 2003 unfunded liability over a fixed term at a fixed interest rate.

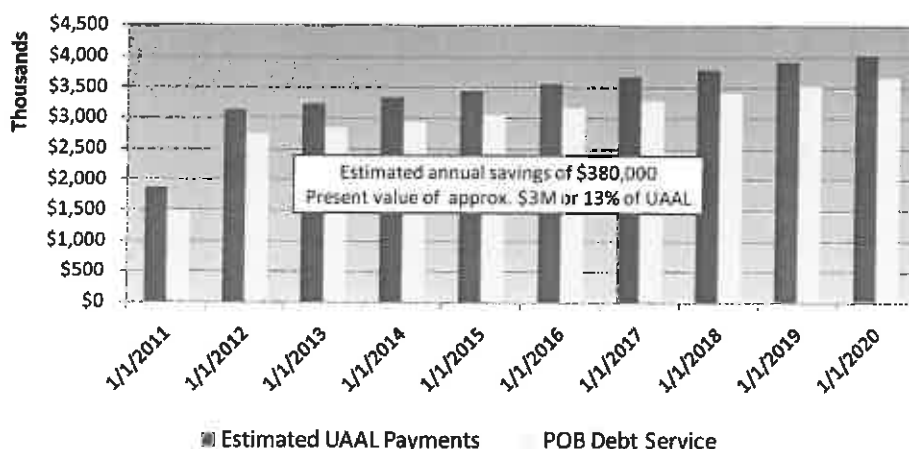
DISCUSSION: These public safety Side Funds are distinctly different from the City's Miscellaneous CalPERS Plan. The largest difference is that Side Fund liabilities are retired over a fixed term with a fixed amortization schedule based on CalPERS' actuarial earnings assumption rate (currently 7.75%). Both of Santa Cruz's Side Fund Unfunded Actuarial Accrued Liabilities ("UAALs") are scheduled to be fully amortized by June 30, 2020, or 10 years. The June 30, 2010 UAALs are as follows:

Employee Group	June 30, 2010 UAAL
Police	\$12,933,123
Fire	<u>10,418,902</u>
Total	\$23,352,025

Why are Side Fund POB Worth Considering? For a POB to save the City money, the interest rate (including costs of issuance) on the POB must be significantly less than the interest rate that CalPERS charges the City to amortize its Side Funds. Since POB are not considered tax exempt under Federal regulations, the City would need to issue taxable bonds at a rate significantly less than the 7.75% charged by CalPERS to realize savings.

The 10-year amortization period for the City's two Side Funds frames the savings opportunity being considered. Because of the continuing global financial crisis, short term Treasury yields remain very low. Consequently, the City's finance team currently estimates that the City's Side Fund POB could be sold at an all-in interest rate (including all costs of issuance) of around 5.50%. This results in a potential reduction of 2.25% in the interest rate paid by the City, and results in potential annual General Fund cash flow savings of over \$380,000 per year through FY 2020. This significant General Fund cash flow savings make the Side Fund POB worth considering.

**Estimated Savings for Pension Obligation Bonds
Assuming 7.75% CalPERS Interest Rate**



Potential Risks with Side Fund POB. The City currently has a policy of achieving at least 5% net present value savings on any refinancing of City debt. This savings level can be precisely determined for each potential refinancing since the City's debt portfolio is all fixed rate. However, this is not the case with any CalPERS UAAL obligation. The interest rate that CalPERS uses in its calculations of the annual cost to amortize the UAAL for any participating public agency can be changed unilaterally by the CalPERS board (although such changes occur rarely, and only after exhaustive actuarial and investment analysis). This means that refinancing any CalPERS UAAL obligation, including the City's Side Funds, is like refinancing an adjustable rate obligation. Savings cannot be precisely determined.

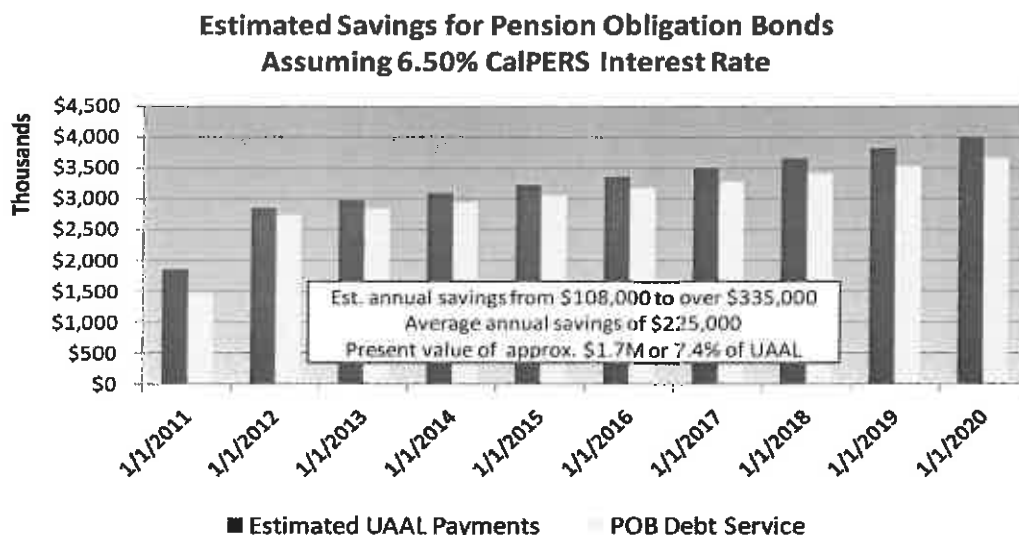
Specifically, it is possible at some point over the next 10 years (the amortization period for the City's Side Funds) that the CalPERS board could lower its 7.75% actuarial earnings assumption. Such a reduction would reduce the cash flow savings realized by the City through the issuance of POB. If the CalPERS earnings assumption were lowered to a level approximating the interest rate on the City's POB, cash flow savings would be eliminated.

The CalPers board is currently considering a potential reduction of the actuarial earnings rate charged to participating public agencies to an interest rate between 7.00% and 7.50%.

In addition, there is a risk that CalPERS might eliminate the Side Fund structure and thereby subject the City to a UAAL that is charged an adjustable rate that would go up and down with CalPERS investment gains and losses over the remainder of the repayment period. Under this scenario, the City might accrue greater savings or might suffer losses dependent upon CalPERS investment performance. Staff and the City's outside actuarial consultant (Bartel Associates) consider this event very unlikely.

Note also that the savings benefit to the City also depends on bond market conditions. A significant increase in short to intermediate term interest rates prior to issuance of the bonds would reduce the potential savings to the City.

How can the City Mitigate the Risk of CalPERS Lowering its Interest Rate? The City's finance team recommends that (1) the 5% net present value savings threshold be used for this financing and (2) that the savings level be determined assuming that CalPERS lowers its actuarial earnings assumption from 7.75% to 6.50% effective July 1, 2011. Such a reduction would be very dramatic because this rate would be below the yield currently achievable on intermediate term corporate bonds. Since CalPERS has historically assumed an interest rate for UAAL amortization approximately equivalent to what it believes it can achieve in the stock market over the long term, lowering their UAAL amortization rate to a level consistent with corporate bond yields would be a very dramatic policy change for CalPERS. While our recommended savings calculation methodology does not eliminate the risk of CalPERS lowering its actuarial earnings rate, staff and the City's outside actuarial consultant believe the odds of CalPERS dropping its assumed actuarial earnings rate below 6.50% are very remote. The chart below shows estimated savings to the City following a reduction of the CalPERS rate to 6.50%



**Assumes reduction of PERS rate to 6.50% on July 1, 2011*

The POB Issuance Procedure: The issuance of POB requires what is called a “validation procedure” in the local Superior Courts. For a validation, the City Council provides initial authorization to issue the bonds and then files a court action, publicly noticing the City's intent to issue bonds to refund its existing CalPERS obligation. If there is no challenge, the validation is ratified by the Superior Court typically within 90 days of its filing. Because the bonds are payable from all legally available funds of the City (which is also true for the existing CalPERS

obligation), validation is necessary to affirm bond counsel's position that the POB are exempt from the Constitutional Debt Limit since they are issued to refund a pre-existing obligation imposed by law (vested pension benefits). Before the validation process may begin, it is necessary for the City Council to adopt the attached Resolution authorizing the issuance of pension obligation bonds to refinance the City's outstanding Side Fund obligations. Once the validation procedure has been completed, the POB issue will be brought back before the City Council one more time for final authorization.

FISCAL IMPACT: If approved, the POB would only be sold if it met the 5% savings criterion assuming a CalPERS actuarial earnings rate of 6.50%, as specified in the authorizing resolution. The City's finance team believes that the entire process of POB issuance can be accomplished by late November, resulting in potential cash flow savings of \$380,000 for FY 2011. The cash flow savings for future budget cycles is dependent upon the actual CalPERS interest rate in the future. As shown in the chart above, at an assumed 6.50% CalPERS actuarial earnings rate level, the average annual cash flow savings would be approximately \$225,000 per year. The only cost to be incurred at this time, prior to a future City Council final approval of a bond issuance, would be a \$7,500 cost for the validation process.

Prepared by:

Submitted by:

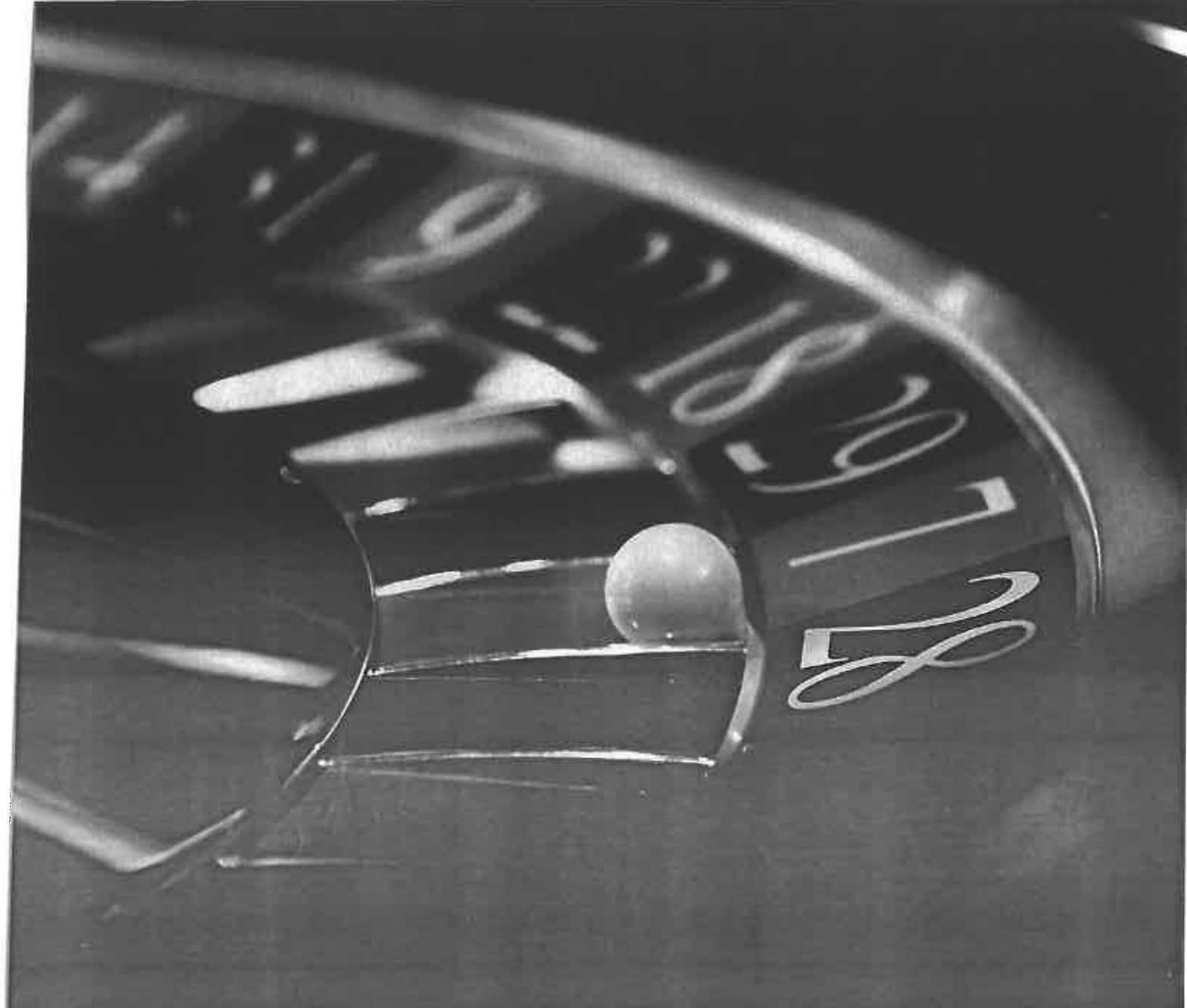
Approved by:

Jack Dilles
Director of Finance

Jack Dilles
Director of Finance

Richard C. Wilson
City Manager

Attachment: Resolution

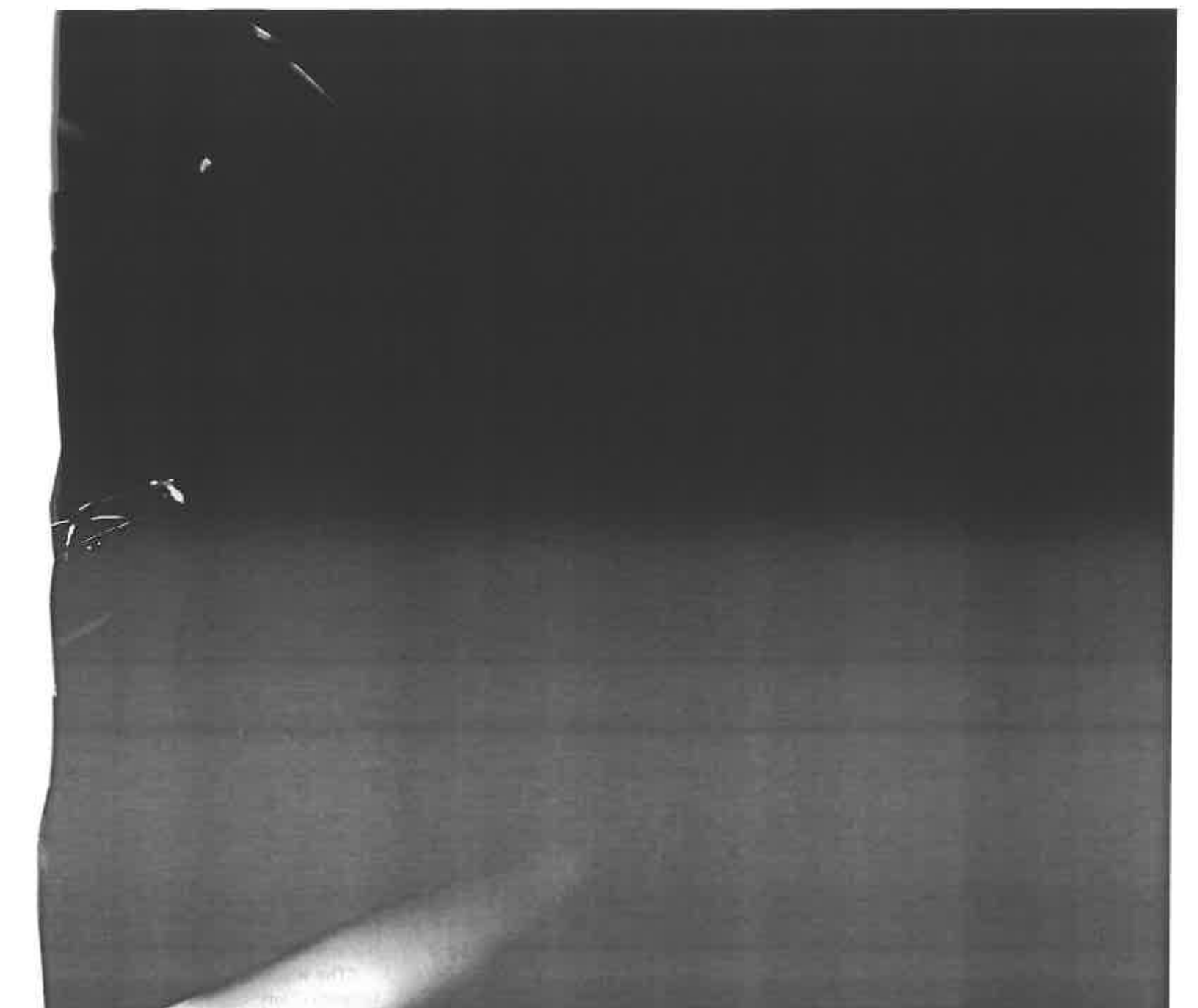


THE GREAT GAMBLE

ONE FISCAL GIMMICK HAS ALREADY CAUSED MULTIPLE CITIES TO DECLARE BANKRUPTCY. SO WHY DO SO MANY PLACES KEEP BETTING ON IT?

"IT'S THE DUMBEST IDEA I EVER HEARD," Jon Corzine told Bloomberg.com in 2008 when he was still governor of New Jersey. "It's speculating the way I would have speculated in my bond position at Goldman Sachs."

Corzine, who followed up his tenure as governor with a \$1.6 billion investment debacle as chairman of MF Global, seemed to know a thing or two about risky ventures. In this case, he was speaking of pension obligation bonds. POBs are a financing maneuver that allows state and local governments



BY ERIC SCHULZKE

to "wipe out" unfunded pension liabilities by borrowing against future tax revenue, then investing the proceeds in equities or other high-yield investments. The idea is that the investments will produce a higher return than the interest rate on the bond, earning money for the pension fund. It's a gamble, but one that a lot of governments are willing to take when pension portfolio returns plummet, causing unfunded liabilities to run dark and deep.

Almost every fund has faced such liabilities from time to time, though current times

have been more treacherous than others. As Paul Cleary, executive director of the Oregon Public Employees Retirement System (PERS) points out, since 1970 his state's pension fund has suffered annual losses only four times. But three of those losses were in the last decade, and one, in 2008, was a catastrophic 27 percent decline.

Faced with such losses—and with a dearth of state and local revenue to make up for the shortfalls—POBs have become a favored tool to fix pension woes. Oregon is a big player in the POB market, along with scores of its cit-

ies, counties and school districts. Other major POB issuers include California, Connecticut, Illinois and New Jersey.

The bonds took on some notoriety this past summer when two California cities, Stockton and San Bernardino, went bankrupt. Generous pensions awkwardly propped up with ill-timed POBs contributed to both debacles.

Over the years, returns on POBs have often fallen below the interest rate the state or locality paid to borrow the money, digging the liability hole even deeper. None-

theless, they remain popular with politicians in a revenue pinch. Politically, it is easier to borrow money to pay for pension costs than it is to squeeze an already-stressed budget. While many economists and policy analysts view them as risky gimmicks and question the high market growth assumptions that make them seem viable, POBs have defenders who believe that with careful timing they can pay off.

When Oakland, Calif., launched the first pension obligation bond in 1985, it appeared to be a reasonable strategy. It qualified as a tax-free bond that could be issued at the lower municipal bond rates. A state or city could then pivot and invest the funds in safe securities—a corporate bond, for instance—at a slightly higher rate. “That was classic arbitrage,” Cleary says. “You were locking down the difference between nontaxable bonds and taxable bonds.”

The Tax Reform Act of 1986 ended that strategy by prohibiting state and local governments from reinvesting for profit the money from tax-free bonds. When the concept resurfaced, the strategy called for states or localities to issue a taxable bond and leverage the higher interest rate of that bond against higher return but riskier equity market plays. So long as markets boomed, the new tactic seemed savvy. “Some people call this arbitrage, but it’s not,” Cleary says of post-1986 POBs. “It’s really an investment gamble.”

Arbitrage occurs when prices for the same product differ between two markets, allowing a nimble player to exploit the difference. “Real arbitrage is free money,” says Andrew Biggs, a scholar at the American Enterprise Institute. “But it doesn’t hang around very long.”

Safe bonds and risky equities are not the same product, but public pension accounting currently permits state and localities to treat them as if they were. “They are counting the return on the stocks before the return is there,” Biggs says. “If you borrowed money to invest in the real world, you would factor the current value of the debt with the current real value of the stocks.”

Given the inherent risks and possible rewards, how have POBs fared? In 2010, a research team led by Alicia Munnell, director of the Center for Retirement Research at Boston College, ran some numbers to find out. The team took 2,931 POBs issued by 236 governments through 2009. They used each bond’s repayment schedule to calculate interest and principal, and then clustered them into cohorts based on the year issued. They assumed a 65/35 investment split between equi-

ties and bonds and tracked the results with standard indexes. They then produced two composite graphs—one at the height of the market in 2007 and the second in 2009, after a crash and before recovery.

In general, bonds issued in the early stages of a stock boom performed well prior to the crash. Thus, POBs issued in the early 1990s were healthy, ranging from 2 to 5 percent net growth. Borrowings in 2002 or 2003 also looked good.

Those issued in the latter years of the 1990s or 2000, however, were in negative territory even before the 2008 crash, having suffered serious losses to their principal in the 2001-2002 downturn. After 2008, all POBs were under water—except those issued in the trough of the collapse, which by 2009 were already pushing 25 percent gains.

Oregon’s numbers mirror Munnell’s findings. Local government POBs issued in 2002 at the depth of that market collapse and managed by Oregon PERS gained an annual average of 8.84 percent through 2012, before principal and interest on the bond. Less lucky were bonds issued in 2005. The Springfield School District’s POB earned just 5.53 percent, for example. Since that bond carried 4.65 percent interest, it likely earned roughly one point annually—not much, but slightly above neutral. Oregon’s 2007 issuers earned just 2 percent on their investments through 2012, and are upside down today after debt service.

The same fate befell Stockton, Calif., which also came to market in 2007. Similarly, New Jersey issued a \$2.8 billion POB in 1997—on the wrong side of another stock bubble.

“The whole thing is the timing,” Oregon’s Cleary says. “You are trying

to issue them when the market has bottomed out and when interest rates are reasonable, because really what you are doing is making an investment bet. If people thought when they did POBs that they were refinancing a debt or doing a locked-in arbitrage, rather than an investment play, I’m sure they have been very surprised by the results.”

And yet that is exactly how they were sold. When Oregon voted on new POBs in 2009, the voter education pamphlet argument in favor of issuance explicitly framed the choice as a “refinance” and cast the projected returns as money “saved.”

“Just like many homeowners are refinancing their home mortgages,” the pamphlet read, “the State should take advantage of these historically low rates, which can save Oregon more than \$1 billion over the next 25 years. The money saved will help reduce cuts and protect services that all Oregonians rely on.”

Because POBs demand headroom between the interest an issuer pays to borrow and the high returns promised on resulting investments, their investment strategies tend to chafe against



Faced with unsustainable pension liabilities, San Bernardino took a chance on pension obligation bonds. The California city declared bankruptcy this past summer.

safer portfolios. Without a hefty “discount rate”—as the projected annual gain assumed by a pension fund is known—the pension bonds would not be possible.

In a 2012 paper, Andrew Biggs argues that the aggressive 8 percent discount used by many states overstates likely earnings and understates risks. A fund that required \$100 million in 20 years and employed an 8 percent discount rate would be “fully funded” with \$21 million, Biggs notes. But if that same fund were to gain only 5 percent annually, it would need \$38 million today to be fully funded in 20 years.

Many experts argue that because public pension obligations are legally binding, pension funds should be discounted at close to zero risk on the front end—at or near the rates offered by government bonds. “While economists are famous for disagreeing with each other on virtually every conceivable issue,” wrote then-Federal Reserve Board Vice Chairman Donald Kohn in 2008, “when it comes to this one there is no professional disagreement. The only appropriate way to calculate the present value of a very-low-risk liability is to use a very-low-risk discount rate.”

In point of fact, the 8 percent discount rate may be on its way out. The Governmental Accounting Standards Board (GASB) is launching a complex hybrid discount standard in 2014, which will affect the assumptions states make with their funds. Some fear the GASB rule will only create more confusion. Bond rater Moody’s is taking a simpler tack in weighing government pension plans, having recently proposed to shift its pension discount rate down to the level of AA taxable bonds, which are now at 5.5 percent. “Currently, discount rates used by state and local governments are all over the place,” says Tim Blake, Moody’s managing director of public finance. “Most are in the range of 7.5 to 8 percent. We need a uniform rate.”

Not surprisingly, 5.5 percent is very close to the rate at which many POBs are sold to investors.

With aggressive 8 percent discount rates now under attack by economists, oversight boards and rating agencies, issuers who counted on rosier outcomes have learned some hard lessons. Five years ago, when Connecticut State Treasurer Denise L. Nappier announced a new \$2.28 billion pension bond, she noted that the state had “achieved a favorable borrowing cost of 5.88 percent, which is well below the 8.5 percent assumed long-term return on assets of the Teachers’ Retirement Fund. This will provide significant cash flow savings over the long term and a potential savings to taxpayers of billions of dollars.”

When the bond was issued in April, the Dow Jones average stood just shy of 13,000. By November, the market was in free fall. It bottomed out the following March at just over 6,600. Connecticut’s timing could hardly have been worse. As the market plunged, *Pensions & Investments* lit into POBs, singling out Connecticut. The editors argued that POBs shove obligations “that should have been paid as earned” onto future generations, along with the risk of the debt.

By 2010, with the market still emerging from the trough, Connecticut’s finances were as messy as ever. But now there was little appetite for more bonds. POBs “are certainly a risky proposition,” Michael J. Cicchetti, chairman of Connecticut’s Post Employment Benefits Commission, told the *CT Mirror*. “Things are different now than they were then.”

Even as Connecticut licked its wounds, Boulder, Colo., was launching its own new POB, designed to clean up some tangled threads from pension programs long since closed to new employees. With the market down, Boulder’s CFO Bob Eichem was ready to take a chance. “POBs are not for the faint of heart,” Eichem says. “You have to understand them.”

Boulder’s bond, for a tame \$9 million, was issued into a recovering market, and the city got a low 4.29 percent interest rate. Boulder also ran worst-case scenarios and decided it could absorb any likely loss.

“You’ve got to pay that debt every year,” Eichem says. “So if the market goes against you, you will have to decrease your other expenditures to make up for what the market did to you.”

With the bond money in hand, Boulder staged its investment. “There was great uncertainty in the market, as there still is,” Eichem says. The city put the funds in a holding account and “income averaged” them into the market over a year.

“That would hold you down if the market really rose in that year, but it would also protect you if the market really dropped,” Eichem says of the gradual strategy. After stringing out three quarters of the fund through the year, Eichem put the remainder in when the market bottomed in early 2011.

“Issuing a POB may allow well heeled governments to gamble on the spread between interest rate costs and asset returns or to avoid raising taxes during a recession,” Alicia Munnell and her team wrote in 2010, warning that “most often POB issuers are fiscally stressed and in a poor position to shoulder the investment risk.”

“Good for Boulder,” says Munnell when told of how Eichem had gauged its risk. What would she tell others set on a similar path? “You better have deep pockets. It’s gambling, and you have to be able to absorb any losses.”

Munnell is less approving of Oakland. In 1997, San Francisco’s cross-Bay neighbor followed up its 1985 invention of the POB with a \$417 million pension bond, designed to buy the city a 15-year “holiday” from its police and fire pension contributions.

The timing was poor. As noted earlier, bonds issued in 1997 were, on average, underwater in 2007, even before the stock market crash. And so was Oakland’s. In 2010 Oakland’s city auditor did a careful analysis of the 1997 POB and found that “the amount still owed by the City is approximately \$250 million higher than the scenario where the POBs were not issued in 1997 and the same payments were made to the pension fund instead.”

With the “pension holiday” over, Oakland’s City Council approved a new \$210 million POB to be paid off in 2026—once again borrowing money—cash that it would have had in hand had it not borrowed the last time.

And so, back where it all began, the POB wheel takes another spin. As columnist Len Raphael wrote in *Oakland North*, a local online newspaper, “That’s like a compulsive gambler telling you that he has to bet it all on red to make up for his past losses.”

Email eschulzke@deseretnews.com

CalPERS TIER 2 PLAN RATES
City of Clayton, CA

<u>EMPLOYER RATE*</u>	<u>FY 2013-14</u>	<u>FY 2012-13 (New)</u>
PUBLIC SAFETY (2% at age 50)	19.90%	19.204%
MISCELLANEOUS (2% at age 60)	8.049%	7.846%

* Employees pay 100% of their Employee contribution:
9% for Public Safety and 7% for Miscellaneous

DATE: 24 JANUARY 2013



Agenda Date: 2-5-13

Agenda Item: 8d

AGENDA SPECIAL MEETING

CLAYTON CITY COUNCIL and its FIRE SERVICES AD-HOC COMMITTEE

Monday, February 4, 2013

6:30 p.m.

*Hoyer Hall, Clayton Community Library
6125 Clayton Road, Clayton, CA 94517*

Mayor: Julie K. Pierce
Vice Mayor: Hank Stratford

Council Members

Jim Diaz
Howard Geller
David T. Shuey

- A complete packet of information containing staff reports and exhibits related to each public item is available for public review in City Hall located at 6000 Heritage Trail on Monday prior to the Council meeting.
- Agendas are posted at: 1) City Hall, 6000 Heritage Trail; 2) Library, 6125 Clayton Road; 3) Ohm's Bulletin Board, 1028 Diablo Street, Clayton; and 4) City Website at www.ci.clayton.ca.us
- Any writings or documents provided to a majority of the City Council after distribution of the Agenda Packet and regarding any public item on this Agenda will be made available for public inspection in the City Clerk's office located at 6000 Heritage Trail during normal business hours.
- If you have a physical impairment that requires special accommodations to participate, please call the City Clerk's office at least 72 hours in advance of the meeting at (925) 673-7304.

*** CLAYTON CITY COUNCIL ***
AND
FIRE SERVICES AD-HOC COMMITTEE

February 4, 2013

6:30 P.M.

1. **CALL TO ORDER** – Mayor Pierce.

2. **CLOSED SESSION** - None.

3. **PUBLIC COMMENTS**

Members of the public may address the City Council on items within the Council's jurisdiction, (which are not on the agenda) at this time. To facilitate the recordation of comments, it is requested each speaker complete a speaker card available on the Lobby table and submit it in advance to the City Clerk. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the Mayor's discretion. When one's name is called or you are recognized by the Mayor as wishing to speak, the speaker shall approach the public podium and adhere to the time limit. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. The Council may respond to statements made or questions asked, or may at its discretion request Staff to report back at a future meeting concerning the matter.

Public comment and input on Public Hearing, Action Items and other Agenda Items will be allowed when each item is considered by the City Council.

4. **ACTION ITEM**

(a) Ad-Hoc Committee discussion of community impacts and consideration of alternatives caused by the partial (79%) closure of Fire Station No. 11 on Center Street by the Contra Costa County Fire Protection District commencing January 15, 2013.
(Council Members Diaz and Geller, Ad-Hoc Committee)

1. Introduction of Council, Committee and City staff members present.
2. Review of Fire District's implementation plans for Fire Station No. 11.
3. Placement of existing Automated External Defibrillators (AEDs) in Clayton, identify other potential community locations, and City plans to become a "Heart Safe" Community in partnership with the Contra Costa County EMS Department.
4. Discuss opportunity for Clayton CERT Program to organize and hold CPR classes for community members.

5. Identification and discussion of alternative fire services/first-responder emergency medical services delivery models:

- a. Continue communication with Fire District to restore full staffing at Fire Station No. 11.
- b. Seek establishment of a municipal fire department.
- c. Other service delivery options?

5. **ITEMS FOR FUTURE AD-HOC COMMITTEE MEETINGS**

6. **SET DATE FOR NEXT AD-HOC COMMITTEE MEETING**

7. **ADJOURNMENT** – The next City Council special meeting is Tuesday, February 5, 2013 at 5:00 p.m.
The next City Council regularly scheduled meeting is Tuesday, February 5, 2013 at 7:00 p.m.

Clayton Fire Station Plan:

Effective Date - January 15, 2013

Community Meeting – January 23, 2013

Operations:

- Engine Company – 11 will be de-staffed as a full-time functional unit.
- Engine Company – 22 (E-22) from Concord will relocate and respond from Fire Station – 11 (FS-11) in Clayton on Monday – Saturday each week from approximately 2:00 P.M. to 8:00 P.M. This facilitates maximum response flexibility during periods of heavy traffic congestion.
 - Times at FS-11 are subject to change due to response activities, training requirements, or other operational needs.
 - E-22 may relocate to FS-11 at other times based on events conducted at the Concord Pavilion or other special events in Clayton.
- A Type-3 wildland fire engine will remain stationed at FS-11 for E-22's crew to use as necessary.
- Crews from other fire stations will conduct area familiarization tours through the Clayton area periodically.
- The engine company from the Sunshine Fire Station (FS-51) will respond under automatic aid if they are the closest resource.
- American Medical Response (AMR) will be adjusting the "posting" locations for their ambulances in the near future to provide better coverage and response to the Clayton area.
- The County Emergency Medical Services Agency, AMR, and the Fire District are working to improve efficiencies in the EMS delivery system. This includes review of prioritization of calls, reducing calls to medical facilities that have trained staff on-duty, faster transfer of patients from ambulance crews to hospital staff, etc. This will increase the availability of existing resources for emergency incidents.
- Dispatch on-duty Clayton police officers to cardiac arrest incidents to facilitate rapid automatic external defibrillators (AED) use.
- The Fire District will continue to explore longer-term solutions such as an EMS-only response unit for peak time periods and other reserve/volunteer options.
- The Fire District will continue to monitor emergency incident call types, response times, availability of resources, and modify the operational plan in order to maximize service and coverage.

Facility:

- FS-11 will not be fully closed as it will be staffed from approximately 2:00 P.M. to 8:00 P.M. daily on Monday – Saturday.
- A security alarm system will be installed in FS-11 and utilized during periods when the facility is not staffed.
- The Fire District will continue to maintain the facility and surrounding grounds

Clayton Facts and Stats

- Clayton population = 10,897 people
- 525 per year Code 3 (lights and sirens) EMS calls per year or an average of about 1.4/day
- Average ambulance response time for the entire community over many years about 10 minutes.
- In 2012 the average AMR response time was 9.09 in urban Clayton and 15.14 minutes in rural Clayton.
- Fortunately only about 7-11% (36-57 per year) are "critical"
- Prioritizing deployment of fire calls allows fire first response to be available for the sickest patients.
- Countywide ambulances are first medical response approximately 10% of the time

Who are our sickest patients? Countywide data

- 1% are cardiac arrest (5 per year)
- 2% are stroke (10 per year)
- 6% are chest pain (31 per year)
- 8% are critical trauma (42 per year)

Protective measures

- Learn CPR and basic life support
- Know the early warning signs of heart attack and stroke
- Clayton PD has 3 AED's
- 6 Public Access AEDs
- Early recognition of heart attack and stroke
- Stroke and STEMI Systems of care (time is brain, time is muscle)
- EMS and Hospitals have cardiac arrest protocols that increase chances of survival
- Ambulance response times that reliably "exceed" response time requirements
- Dynamic deployment of ambulance resources
- Local hospitals who work hard to rapidly offload patients arriving by 911 so resources can return to availability
- Flu shot!!!

Clayton Fire Station-11 Closure Plan

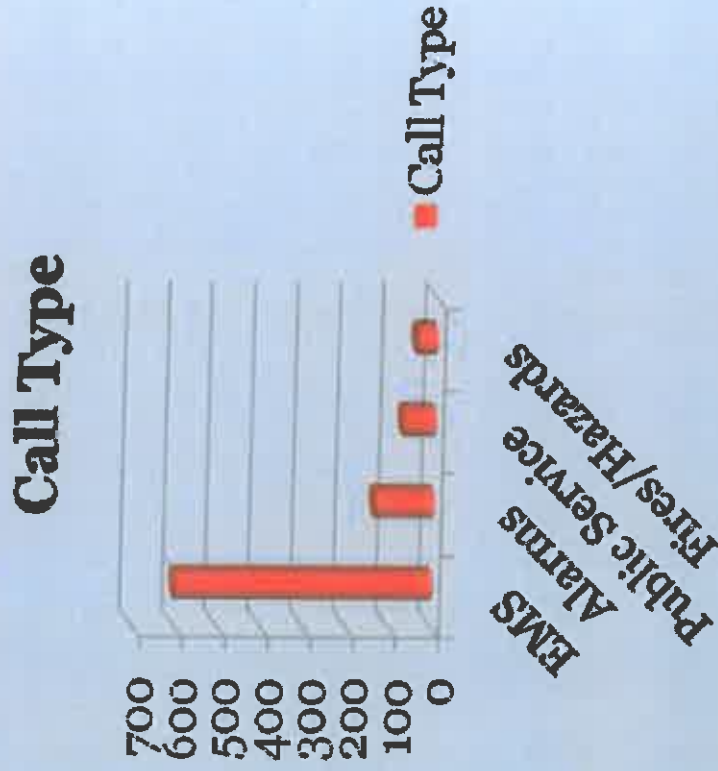
1

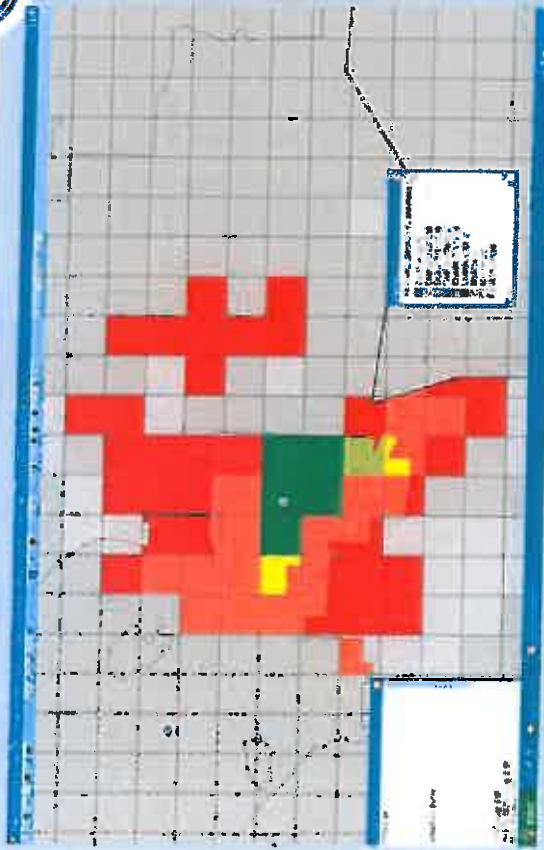
**CONTRA COSTA COUNTY
FIRE
PROTECTION DISTRICT**

Fire Station – 11 Statistics:

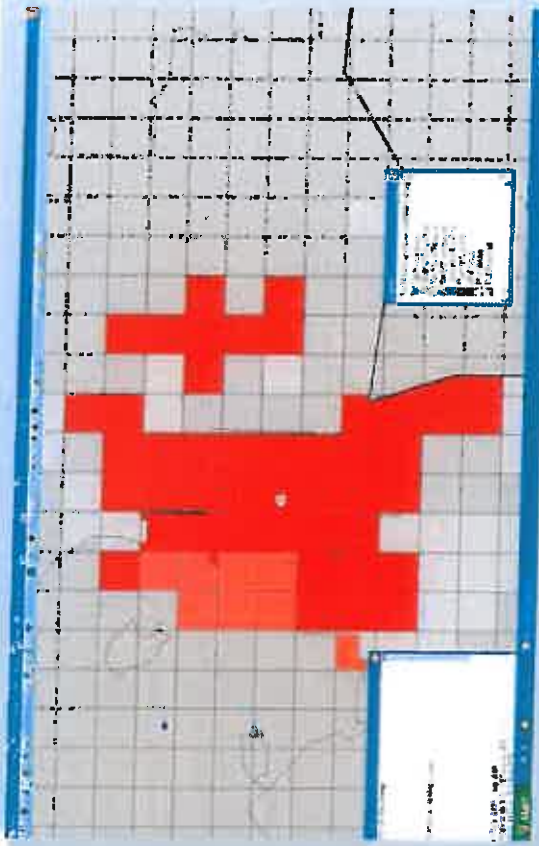
8

- First-Due Incidents – 861 (11/1/11 – 10/31/12)
- Runs – 907
- Response Time – 6:34
- Calls per day in first-due area – 2.3
- Peak Activity – 8 A.M. to 8 P.M. (64%)
- Cost to operate station – \$2.8M





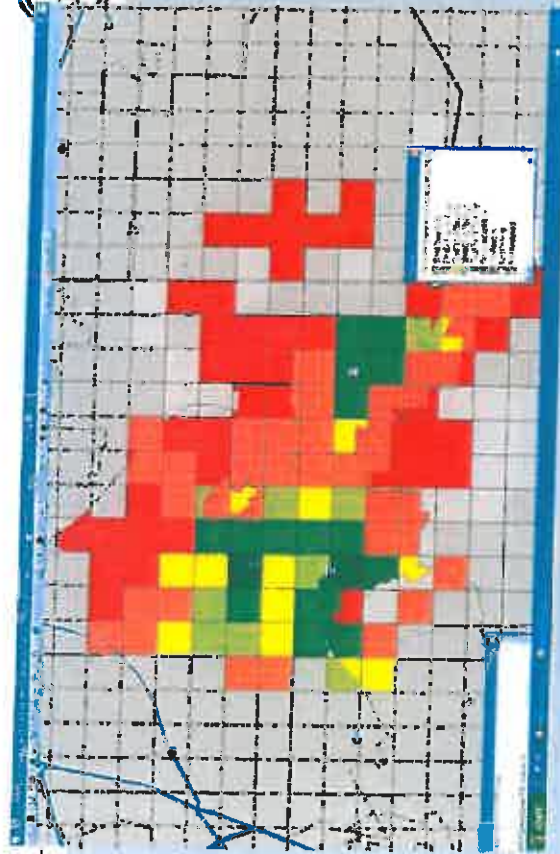
Incidents Analyzed: 618
 First Unit Dispatch to Onscene <= 0:00 : 28.86%. Avg. 6:48.
 Incidents Analyzed: 6
 First Unit Travel time Enroute to Onscene Within 4 Mins <= 4:00 : 39.33%. Avg. 4:24
 First Unit Travel time Enroute to Onscene Within 5 Mins <= 5:00 : 72.17%. Avg. 4:24
 First Unit Travel time Enroute to Onscene Within 6 Mins <= 6:00 : 83%. Avg. 4:24
 First Engine Dispatch to Onscene <= 6:00 : 43%. Avg. 6:16



Incidents Analyzed: 618
 First Unit Dispatch to Onscene <= 6:00 : 3.17%. Avg. 8:49
 Incidents Analyzed: 6
 First Unit Travel time Enroute to Onscene Within 4 Mins <= 4:00 : 0.67%. Avg. 6:52
 First Unit Travel time Enroute to Onscene Within 5 Mins <= 5:00 : 12.83%. Avg. 6:52
 First Unit Travel time Enroute to Onscene Within 6 Mins <= 6:00 : 42.5%. Avg. 6:52
 First Engine Dispatch to Onscene <= 6:00 : 1.33%. Avg. 8:44

Fire Station 11

(with FS8 and 22)



Incidents Analysed: 2723

First Unit Dispatch to Onscene <= 6:00 : 53.37%. Avg. 5:53.

Incident Type Groups "Structure Fire Calls" :

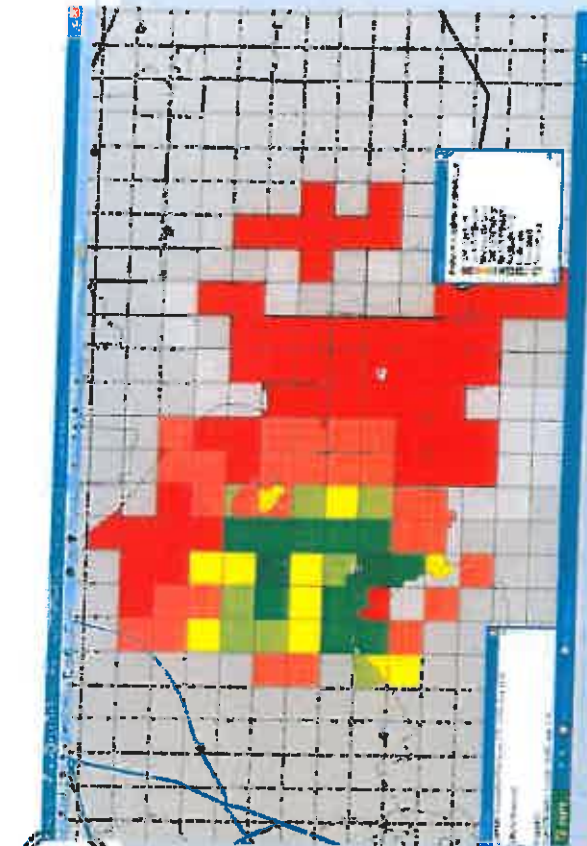
Incidents Analysed: 51

First Unit Travel time Enroute to Onscene Within 4 Mins <= 4:00 : 61.43%. Avg. 3:35.

First Unit Travel time Enroute to Onscene Within 5 Mins <= 5:00 : 91.14%. Avg. 3:35.

First Unit Travel time Enroute to Onscene Within 6 Mins <= 6:00 : 97.18%. Avg. 3:35.

First Engine Dispatch to Onscene <= 6:00 : 66.31% Avg. 5:27



Incidents Analysed: 2723

First Unit Dispatch to Onscene <= 6:00 : 47.54%. Avg. 6:20.

Incident Type Groups "Structure Fire Calls" :

Incidents Analysed: 51

First Unit Travel time Enroute to Onscene Within 4 Mins <= 4:00 : 56.88%. Avg. 3:52.

First Unit Travel time Enroute to Onscene Within 5 Mins <= 5:00 : 84.16%. Avg. 3:52.

First Unit Travel time Enroute to Onscene Within 6 Mins <= 6:00 : 92.41%. Avg. 3:52.

First Engine Dispatch to Onscene <= 6:00 : 61.41%. Avg. 5:44.

Reducing Operational Impacts:

11

- E-22 will staff FS-11 daily from approximately 2 P.M. – 8 P.M. on Monday - Saturday
- Unit from Fire Station-8 (Clayton Rd.), Fire Station-22 (Crystyl Ranch), or Fire Station-51 (Marsh Creek Rd.) will respond under automatic/mutual aid if they are the closest resource.
 - Station-8 – 3.3 miles away. 6-minute travel time
 - Station-22 – 3.6 miles away. 7-minute travel time
 - Station-51 – 5 miles away. 7-minute travel time
- Enhanced use of “dynamic deployment” or posting
- Reengineer training, apparatus maintenance, etc.

Reducing Operational Impacts Cont.

12

- American Medical Response (AMR) will adjust the “posting” locations for their ambulances to provide better coverage and response to the Clayton area.
- County Emergency Medical Services Agency and partners are working to improve efficiencies in the EMS delivery system:
 - Review prioritization and types of calls
 - Reduce calls to facilities that have trained medical staff on duty
 - Expedite transfer of patients from ambulance crews to hospital staff
- This will increase the availability of existing resources for emergency incidents.

Ambulance Response Times

Code 3 (lights and sirens)

15

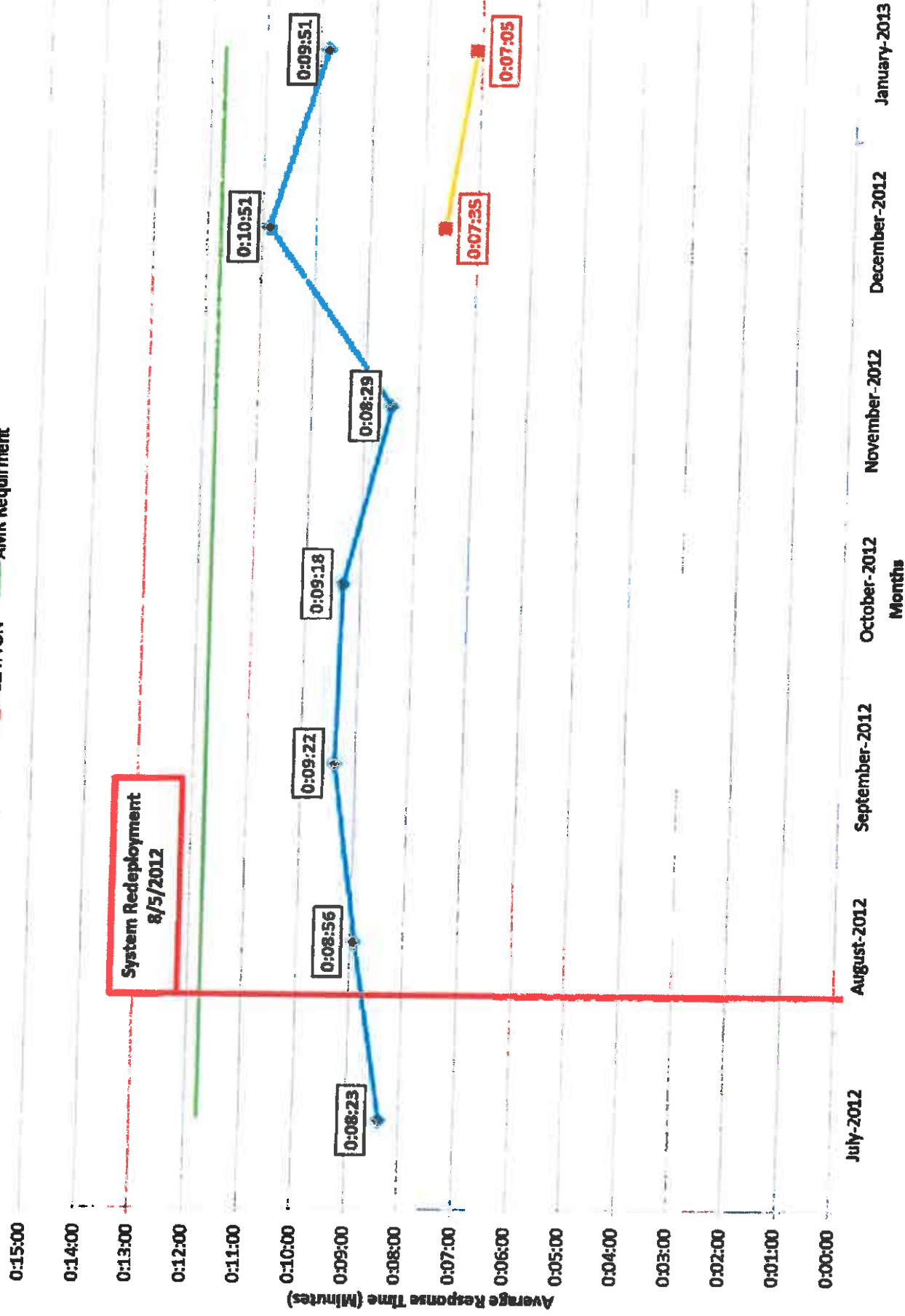
Ambulance Response Statistics Clayton Citywide Ambulance Response Zone C 11:45 @90%

City	Jan-Nov 2012 AMR responses to affected areas	Average AMR responses day 2012	July 2012 YTD AMR monthly response average (min)	2007-2011 Citywide Average (min) EMS Agency Data
Clayton	395	1.2	9.09	9.75

Monthly AMR Average 911 Code 3 Response Times

City of Clayton (Urban)
7/1/2012 - 1/12/2013

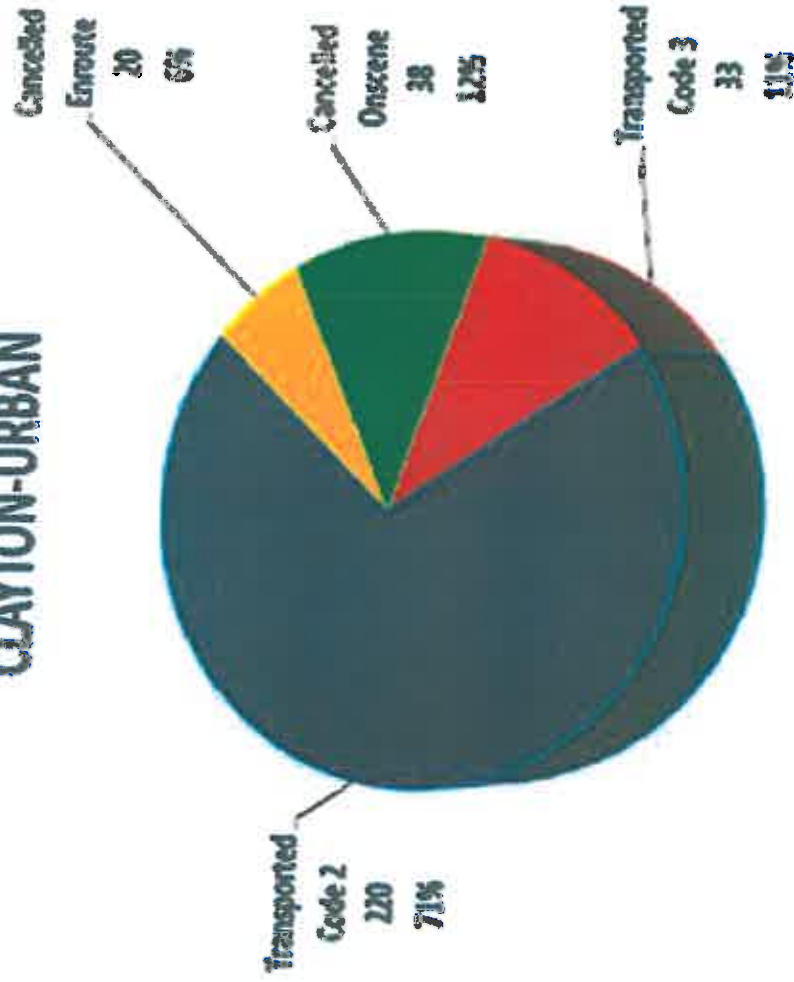
AMR CLAYTON AMR Requirement



Not all Responses Result in Transport AMR 911 Responses Code 3 (Lights and Sirens)

(17)

CLAYTON-URBAN



EMS System Protective Measures

20

- Provide CPR and basic life support training (*HeartSafe Communities*)
- Clayton PD has 3 AED's
- 6 Public Access AEDs
- Early recognition of heart attack and stroke
- Stroke and STEMI Systems of care (time is brain, time is muscle)
- Well established local Trauma System of over 20 years
- Evidenced based patient safety, medical quality and oversight
- EMS and Hospitals have cardiac arrest protocols that increase survival
- Ambulance response service reliably "exceeds" response time requirements
- Dynamic deployment of ambulance resources
- Local hospitals who work hard to rapidly offload patients arriving by 911 so resources can return to availability
- Flu shot!

Facility Issues:

23

- FS-11 will be staffed on a limited basis Monday - Saturday
- A security alarm system will be installed in FS-11 and staff will monitor the facility.
- The Fire District will continue to maintain the facility and surrounding grounds



Home » EMS » Public Education » HeartSafe Community

HeartSafe Community

A *HeartSafe* Community is a community where all elements of the Chain of Survival are in place and there is a focus on improving the cardiovascular health of its citizens, thereby increasing the chances that anyone suffering a cardiovascular emergency will have the best possible chance for survival.



[Follow HeartSafe on Facebook!](#)

Communities throughout Contra Costa County are being invited to join the EMS Agency and the American Heart Association in making Contra Costa County a safer place to live, shop, work and play by challenging all of our communities to achieve *HeartSafe* Community designation. Information on how to achieve this designation can be found below.

How can you help? If you are not already trained in CPR taking a [CPR class \(cpr-resources.php\)](#) would be the best way to help your community. [Find a class near you](#)

http://www.heart.org/HEARTORG/CPRandECC/CPR_UCM_000088_SubHomePage.jsp

The following communities have already submitted their letters of intent to seek *HeartSafe* Community designation:

- Alamo *
- Bethel Island
- Blackhawk *
- Byron
- Concord
- Danville *
- Diablo *
- El Cerrito *
- El Sobrante
- Kensington *
- Knightsen
- Orinda
- Richmond
- San Ramon *



San Ramon Valley kicked off their quest for designation as a *HeartSafe Community* with the American Heart Association 5K Heart Walk on September 20, 2011.

* These communities have been designated as a "*HeartSafe Community*."

Resources

- [HeartSafe Poster Cardiac Arrest](#)
[Spanish](#)
- [HeartSafe Poster Heart Attack](#)
[Spanish](#)
- [HeartSafe Poster Stroke](#)
[Spanish](#)
- [HeartSafe School Flyer](#)
- [HeartSafe Wallet Card](#) | [Spanish](#)
- [HeartSafe Brochure](#)
- [HeartSafe Application](#)
- [Frequently Asked Questions](#)



If you have additional questions, please contact Pam Dodson,
Prehospital Care Coordinator at pam.dodson@hsd.cccounty.us
(<mailto:pam.dodson@hsd.cccounty.us>)

[[help with PDF files](#)]



HeartSafe Community **Frequently Asked Questions**



What is a *HeartSafe Community*?

A *HeartSafe Community* is a community where all elements of the Chain of Survival are in place and there is a focus on improving the cardiovascular health of your citizens therefore, increasing the chances that anyone suffering a cardiovascular emergency will have the best possible chance for survival.

Why should my community be designated as *HeartSafe*?

To make your community a safer place to live, work, shop and play by being prepared and to reduce the number of deaths and disability associated with cardiac arrest.

Is there an application fee?

No.

What are the costs associated with meeting the criteria to become a *HeartSafe Community*?

The cost will vary depending on the characteristics of your community. Typical costs might include things such as CPR training and AED costs.

How long is the *HeartSafe Community* designation valid?

Two years.

Will an AED always resuscitate someone in cardiac arrest?

An AED will look at the electrical activity of the heart. If the electrical activity is "chaotic" and needs a shock the AED will indicate a shock should be delivered. If someone is in cardiac arrest and the AED does not indicate a shock, the AED will indicate that CPR should be continued. The survival rate from this type of event is less than 6% nationwide; so most people will not be successfully resuscitated. The goal of a *HeartSafe Community* program is to increase that survival rate by increasing community awareness and having a strong Chain of Survival in place.

Is the AED safe to use?

Absolutely! An AED is safe for anyone to use. The AED will not even look at the heart rhythm to determine if a shock is needed if the victim is breathing, therefore, it will not shock someone who doesn't need it. The AED is designed with multiple safeguards and warning before any energy is released making it very safe for the operator to use.

Can anyone buy an AED?

Yes, however, AEDs are manufactured and sold under guidelines approved by the FDA and require medical oversight.

How much does an AED cost?

There is a variety of AEDs available and the prices vary. A list of manufacturers and/or vendors is available on our website: cccems.org and in the EMS Agency Public Access Defibrillation packet. When a person is resuscitated, particularly a friend, coworker, or loved one, it's priceless!

What does training involve?

Training involves a course in CPR that includes instruction on the use of an AED. A list of training organizations is also available on our website and in the EMS Agency Public Access Defibrillation packet. Local CPR/AED course information is also available at 1-800-GIVE CPR or on our website: cccems.org

What if I am not trained?

If you come upon an unconscious victim and are not trained, it is of utmost importance to call 9-1-1. In Contra Costa County, emergency medical dispatchers will talk you through the steps of performing CPR and using an AED while emergency crews are on their way to you.

How can I help my community achieve *HeartSafe* Community designation?

If you are not already trained in CPR taking a CPR class would be the best way to help your community achieve this designation. Heartbeats are given for each CPR class with 6 or more students and for each AED placed in the community. A CPR class will teach you how to use an AED as well as the CPR. Both skills can help to save a life.


CONTRA COSTA
HEALTH SERVICES
Contra Costa County Emergency Medical Services
1340 Arnold Drive, Suite 126
Martinez CA 94553
(925) 646-4690

Do You Live In A *HeartSafe* Community?


HeartSafe Community

If someone in your community suffers a sudden cardiac arrest today, how likely is he or she to survive?



**Will you, or someone else, recognize the signs of cardiac arrest and call 9-1-1 immediately?
The 9-1-1 dispatcher will need to know the nature of your call—
so be prepared to answer the dispatcher's questions.**

Who in your community knows and is prepared to give CPR? Are you?

**Do you know what an Automated External Defibrillator (AED) is?
AEDs deliver a shock that can sometimes restore the heart to a normal rhythm.
If an AED is available will you be prepared to use it?**

**Your 9-1-1 call starts an advanced life support response
on the way to your emergency — care that they deliver
can be critical to the survival of cardiac patients.**

So how can you help? *Learn CPR!*

For a class near you — www.cccems.org or heart.org

Gary Napper

From: Thorsen, Chris (Clayton PD) <Chris.Thorsen@cityofconcord.org>
Sent: Tuesday, January 29, 2013 9:30 AM
To: gnapper@ci.clayton.ca.us
Subject: Info Regarding AED's

Sir,

There has been considerable hub bub regarding the closure of our fire station lately. Clayton City Council members have established an ad-hoc committee, they are exploring opportunities to mitigate some of the negative impacts of the closure. There has been considerable discussion regarding the inevitable increase in medical response times. Mostly those discussions have centered around heart attacks. On numerous occasions, citizens and professionals have stated the "window" for survival awaiting emergency treatment (CPR and AED deployment) is six minutes or less. After this time period, the victim will experience severe brain damage or death.

As you know, the City of Clayton Police Department has AED's in our patrol cars. Additionally there are AED's at several private businesses around our community. At the conclusion of the last meeting with the fire department representatives, we established a connection with representatives from the County Emergency Medical Services. County EMS and the American Heart Association sponsor a program entitled "Heart Safe Communities". In essence the program awards points for the number of AED's your community has available, the number of citizens trained in CPR and the access to emergency medical professionals.

Two members of our CERT Team have graciously stepped up and offered to coordinate our participation in the Heart Safe program. They will assess the number and location of existing AED's in our community. Additionally, they will coordinate training for our citizens in the use of AED's and the performance of CPR.

There is a possibility for us to obtain an AED from County EMS to augment the existing machines in our Community. Once we determine if there is an additional need for AED's we will look for donations, grants and other funding sources to purchase, deploy and handle the ongoing service/maintenance of the units.

In short, we are doing something to mitigate the loss of our local firefighters!

Chris Thorsen
Chief of Police
City of Clayton
6000 Heritage Trail
Clayton Ca, 94517
Ph. 925-673-7350

2012-13 Fire District's Allocated Tax Revenues by City

NOTE: The information below shows the base revenues allocated to Contra Costa Fire District for purposes of calculating their countywide apportionment factors. The dollars below do not represent the amount of property tax revenues apportioned to the Fire district within a City.

**Gross AB8
Base Revenue**

CCC Fire Protection

Antioch	10,535,763.05
Concord	14,746,414.71
Martinez	5,401,394.42
Pinole	10,851.49
Pittsburg	8,357,573.22
Walnut Creek	15,789,875.03
San Pablo	2,404,497.81
Pleasant Hill	5,571,214.65
Clayton	2,317,100.86
Lafayette	7,878,934.06
Unincorporated	16,218,115.51
Total	<u>89,231,734.81</u>

**Gross
RDA Loss**

CCC Fire Protection

Antioch	(1,065,794.50)
Concord	(1,744,734.34)
Martinez	0.00
Pinole	0.00
Pittsburg	(5,651,080.26)
Walnut Creek	(123,067.36)
San Pablo	(1,749,363.54)
Pleasant Hill	(538,505.64)
Clayton	(672,390.68)
Lafayette	(528,738.39)
Unincorporated	(1,752,766.34)
Total	<u>(13,826,441.05)</u>

Excerpt from City Staff Report to Clayton City Council (dated 15 January 2013):

As ConFire is a special district, annexations, reorganization or detachments from this special district are governed by and determined by the Contra Costa County Local Agency Formation Commission (LAFCO). This understanding is key in that any desire or attempt by the City of Clayton to establish its own municipal fire department (volunteer, paid, or combination thereof), or to contract with another fire district (e.g. East County Fire District or CalFire) in lieu of services provided by ConFire, or to form a Joint Powers Authority with other cities or public agencies to perform fire and emergency medical services, or to privatize municipal fire/emergency medical services within the incorporated area of Clayton, each of those options requires the approval of LAFCO for the city to “detach” itself from the ConFire special district. That decision rests solely with LAFCO.

In order for the city of Clayton to detach from the ConFire special district, the City must become the applicant to LAFCO and generate a Plan for Services that will study and provide answers as to the fiscal and service implications associated with its detachment. According to LAFCO personnel, the City must demonstrate its capability to provide comparable or equivalent fire and first-responder public services to the detached property owners. Among other considerations of LAFCO will be how the City intends to provide services to areas surrounding the City’s limits since its detachment will create “hole” in the contiguous area of ConFire (i.e. unincorporated areas or adjacent Concord neighborhoods), or address how its detachment will not further hinder ConFire’s capabilities to provide for those areas.

The City’s application for detachment to LAFCO would cost \$2,765 plus additional associated fees (e.g. \$50 County Recording Fee; \$1,100 deposit to the County Surveyor to review map and legal description of the new municipal service area; and a State Board of Equalization Fee). According to LAFCO personnel, it would take LAFCO approximately six (6) months to twelve (12) months from the time of the City’s application for LAFCO to render its review and decision. The City must negotiate with Contra Costa County, acting in behalf of the Fire District, concerning how much it would get to receive of the \$2.3 million base revenue in local property taxes now coming from Clayton to ConFire. However, subtract from that figure is \$672,390.68 still obligated to the former Clayton Redevelopment Agency for its prior debt issues. Therefore, at this time it is a **net \$1.65 million** at this time (approximately). It is likely in any scenario that ConFire would seek to retain a portion of that base revenue to supply mutual and/ automatic aid to the stand-alone municipal fire department in the event of backup services or significant fire alarm or accident calls.

In order to consider detachment from the ConFire special district, staff highly recommends the retention of outside consultants to guide and inform the City on the various considerations accompanying the establishment of a municipal fire department, and whether it is fiscally and logistically feasible. Staff contacted EPS in Berkeley, CA, which private firm has undertaken district and municipal reorganization work, to obtain a possible cost to hiring consultants to

assist the City in such deliberations. Using very rough indicators, EPS responded that a range of \$30,000 - \$50,000 is the likely cost associated with generating a Feasibility Study for the City on this idea. Within that initial range, EPS did indicate the first critical milestone on feasibility could cost \$10,000, at which point the City might have enough information to abandon its quest or continue with the Study. Upon completion of a full Feasibility Study, should the City decide to move forward with a LAFCO application for detachment, Phase II would commence which would include preparation of the LAFCO application, negotiation with the County over the reallocation of local property taxes to the City from ConFire, and assist the City in its representation of the its application to LAFCO. Phase II would require further funds than identified above.

Other elements of establishing a municipal fire department (or other hybrid) include the following public services presently provided by ConFire:

- a. Fire protection services (e.g. Fire Code plan checks; Fire Code building inspections)
- b. Fire suppression services (structural, wildland fires, toxic or vehicle accidents)
- c. Fire dispatch services
- d. Management personnel to oversee the operations (e.g. fire chief)
- e. A fire station (the City does not own Fire Station No. 11)
- f. Fire engines, apparatus, and associated equipment and supplies (capital assets)
- g. Mutual Aid and/or Automatic Aid (from other public entities)
- h. First-responder emergency medical services

Reducing Operational Impacts Cont.

22

- The Fire District will continue to explore alternative solutions such as an EMS-only response unit for peak time periods and other reserve/volunteer options.
- The Fire District will continue to monitor emergency incident call types, response times, availability of resources, and modify the operational plan in order to maximize service and coverage.
- Residents should ensure smoke and carbon monoxide detectors are installed and functional, create defensible space around their homes, consider installation of residential sprinkler systems, and attend citizen CPR classes.

Long-Term/Strategic Solutions

24

- Continue to control expenses
- New pension laws, elimination of terminal pay, etc. will reduce long-term costs
- Conduct joint County/Cities summit
- Explore EMS-only and other service delivery alternatives and partnerships
- Potential for SAFER grant application (stop-gap measure)
- Strategically evaluate station locations
- Seek additional revenue measures

Gary Napper

Subject:

FW: Response Times for Closed Fire Station - 1/15 - 1/29

From: Louder.Daryl**Sent:** Wednesday, January 30, 2013 5:26 PM**To:** Napper, Gary - Clayton; Falk, Steven - Lafayette; Vince, Phil - Martinez; Nordhoff, Ken - Walnut Creek; 'valerie.barone@ci.concord.ca.us'**Subject:** Response Times for Closed Fire Station - 1/15 - 1/29

Greetings,

Attached is the response time data for the first two weeks (1/15 – 1/29) that the fire stations in Clayton, Lafayette, Martinez, and Walnut Creek were closed. For benchmarking purposes, data for 1/1 – 1/14 is provided as well. FS-22 response data is included since we have received questions about impact of that unit “time sharing” with FS-11.

All of this data is based on incidents in the first-due area and the incident types (fire, EMS, other) are based on CAD dispatch data. This data is for Fire District units only and does not include AMR response times. Response time includes call processing, turnout, and travel times. To date, I have not received any notification of “excessive” response times or serious incidents that have been exacerbated by response delays.

Please contact me if you have any questions or need additional information.

Date	Station	Incidents			Code 3	R/T
		Fires	EMS	VA/Ala/Oth		
1/1 - 1/14	FS04	0	12	1	13	0:07:40
1/1 - 1/14	FS11	1	11	9	21	0:07:17
1/1 - 1/14	FS12	3	27	3	33	0:07:00
1/1 - 1/14	FS16	2	6	0	8	0:09:09
1/1 - 1/14	FS22	0	9	1	10	0:06:59

1/15 - 1/29	FS04	1	10	0	11	0:09:57
1/15 - 1/29	FS11	3	15	4	22	0:07:51
1/15 - 1/29	FS12	3	28	3	34	0:08:06
1/15 - 1/29	FS16	1	4	1	6	0:08:31
1/15 - 1/29	FS22	1	13	1	15	0:06:27

**MINUTES
OF THE
REGULAR MEETING**

Agenda Date: 2-5-13

Agenda Item: 3a

CLAYTON SUCCESSOR and SUCCESSOR HOUSING AGENCY

September 18, 2012

1. **CALL TO ORDER & ROLL CALL** - the meeting was called to order at 6:00 p.m. by Mayor Geller in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Boardmembers present: Mayor Geller, Vice Mayor Medrano, Councilmembers Pierce, Shuey and Stratford. Staff present: City Manager Napper, Secretary Jackson, and General Counsel Subramanian.

2. **CLOSED SESSION**-Mayor Geller announced the following purpose for Closed Session and then adjourned into Closed Session at 6:00 p.m.

- (b) Clayton Successor Housing Agency
Government Code Section 54956.8, Conference with Real Property Negotiator
Real Property: 21 Long Creek Circle, Clayton, CA (APN 119-232-031-3).
Instructions to Agency negotiator (Executive Director) concerning terms and conditions.
Negotiating Parties: Roy and Heidi Ashworth.

7:06 p.m. Report out of Closed Session: Mayor Geller reported the Council would return to Closed Session on this matter at the conclusion of the regular meeting.

3. **RECESS THE SUCCESSOR HOUSING AGENCY BOARD OF DIRECTORS MEETING**
Chairman Geller.

4. **RECONVENE THE MEETING** – Mayor Geller reconvened the meeting at 10:20 p.m.

5. **PUBLIC COMMENTS** – None.

6. **CONSENT CALENDAR** It was moved by Vice Mayor Medrano, seconded by Councilmember Stratford, to approve the Consent Calendar as submitted (Passed; 5-0 vote).

- (a) Adopted Resolution 01-2012 approving an amended Successor Agency's Recognized Obligation Payment Schedule for the time period of January 1, 2013 through June 30, 2013 (ROPS III) caused by new formatting required by the State Department of Finance (DOF).

7. **PUBLIC HEARINGS** – None.

8. **PUBLIC HEARINGS** - None

9. **ACTION ITEMS** – None.

10. **BOARD ITEMS** – None.

2. **CLOSED SESSION**- Mayor Geller again announced the following purpose for Closed Session and then adjourned into Closed Session at 10:21 p.m.

- (b) Clayton Successor Housing Agency
Government Code Section 54956.8, Conference with Real Property Negotiator
Real Property: 21 Long Creek Circle, Clayton, CA (APN 119-232-031-3).
Instructions to Agency negotiator (Executive Director) concerning terms and conditions.
Negotiating Parties: Roy and Heidi Ashworth.

10:23 p.m. Report out of Closed Session: Mayor Geller stated the Council had received information from staff and gave instructions to its real property negotiator.

11. **ADJOURN** – on call by Mayor Geller the meeting adjourned at 10:24 p.m.

Respectfully submitted,

Laci J. Jackson, Secretary

Clayton Successor and Successor Housing
Agency Board

Howard Geller, Mayor



Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: FINANCE DIRECTOR

DATE: FEBRUARY 5, 2013

Agenda Date: 2-5-13

Agenda Item: 5a

SUBJECT: AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2011 (FY '10-'11)

RECOMMENDATION

Accept the "unqualified opinion" Audit Report for the former Redevelopment Agency of the City of Clayton prepared by Cropper Accountancy Corporation and the Agency's Basic Financial Statements prepared by Thales Consulting and Cropper Accountancy for fiscal year ending June 30, 2011.

BACKGROUND

The Agency's Audit Report was completed in January 2013 for the Successor Agency to the former RDA. This was our 5th year of preparing the financial reports in-house with the help of Thales Consulting. Due to issues with the draft report from our consultant, our auditors compiled the final report presented tonight. The reporting format includes a management discussion and analysis for the Agency's financial statements that are intended to serve as an introduction to the Agency's basic financial statements. A statement of net assets and a statement of activities and changes in net assets are also included that presents information on all the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator or whether the financial position of the Agency is improving or deteriorating. The Agency's net assets increased by \$2,158,325 leaving a balance of \$3,758,188 compared to \$1,559,863 in the prior fiscal year.

FISCAL IMPACT

Total revenues for the Agency during this fiscal year totaled \$5,409,769 while expenditures were \$4,537,397. An additional \$2,584,904 was expended on principal and interest for debt service leaving an ending fund balance in the Project fund of \$424,962; in the Low to Moderate Income Affordable Housing fund of \$6,183,840; and a reserve in the Debt Service fund of \$633,252.

CONCLUSION

Accept the "unqualified opinion" Audit Report for the former Redevelopment Agency of the City of Clayton- Basic Financial Statements and Independent Auditors' Reports for fiscal year ending June 30, 2011 prepared by Cropper Accountancy Corporation.

Respectively submitted,

Merry Pelletier

Finance Manager

Attachments: Redevelopment Agency Basic Financial Statements and Independent Auditors' Report.

Clayton Redevelopment Agency Clayton, California

***Basic Financial Statements and
Independent Auditors' Report***

For the fiscal year ended June 30, 2011

**Clayton Redevelopment Agency
Management's Discussion and Analysis
For the year ended June 30, 2011**

**Clayton Redevelopment Agency
Table of Contents
June 30, 2011**

	<u>Page</u>
Independent Auditors' Report	3
Management's Discussion and Analysis	5
Basic Financial Statements:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Assets	14
Statement of Activities	15
<i>Governmental Funds Financial Statements:</i>	
Balance Sheet	18
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities	21
Notes to Basic Financial Statements	23
Other Supplementary Information:	
Budgetary Principles	37
Capital Projects Fund Budgetary Comparison Schedule	38
Low/Moderate Income Capital Projects Fund Budgetary Comparison Schedule	39
Debt Service Fund Budgetary Comparison Schedule	40
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	41



office location
2700 Ygnacio Valley Rd, Ste 230
Walnut Creek, CA 94598
(925) 932-3860 tel

mailing address
2977 Ygnacio Valley Rd, PMB 460
Walnut Creek, CA 94598
(925) 476-9930 efax

www.cropperaccountancy.com

INDEPENDENT AUDITORS' REPORT

The City Council,
City of Clayton, California

We have audited the accompanying financial statements of the governmental activities and the major funds of the Clayton Redevelopment Agency (Agency), a component unit of the City of Clayton, California (City), as of and for the year ended June 30, 2011, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Agency. Our responsibility is to express an opinion on these financial statements based on our audit.

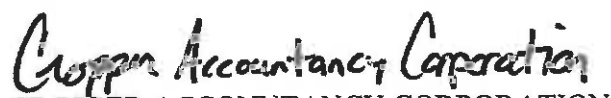
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major funds of the Agency as of June 30, 2011, and the respective changes in financial position, thereof, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with the *Government Auditing Standards*, we have also issued our report dated January 7, 2013, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures in the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the Agency's basic financial statements. The budgetary comparison exhibit is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The budgetary comparison exhibit has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California
January 7, 2013

The discussion and analysis of the Clayton Redevelopment Agency's (Agency) financial performance provides an overall review of the Agency's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the Agency's financial performance as a whole. Readers should also review the basic financial statements to enhance their understanding of the Agency's financial performance.

FINANCIAL HIGHLIGHTS

- The assets of the Agency were greater than the liabilities at the close of the fiscal year ended June 30, 2011 by \$6,767,054. The Agency typically issues debt to acquire or construct capital assets which it turns over to the City or other agencies. As a result, the Agency records the debt but has no corresponding assets. Debt payments are made by future revenues.
- As of the close of the fiscal year ended June 30, 2011, the Agency reported combined ending fund balances of \$6,767,054, an increase of \$346,897 from the prior year.
- The Agency's long-term liabilities decreased by \$2,670,000 to \$6,445,000.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

The Agency is a component unit of the City of Clayton, which is the primary government and issues Basic Financial Statements that include the Agency's financial Statements.

Government-wide Financial Statements

The Government --wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These statements are designed to provide readers with a broad overview of the Agency's finances. They provide information about the activities of the Agency as a whole and present a longer-term view of the Agency's finances.

The *statement of net assets* presents information on all of the Agency's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or declining.

The *statement of activities* presents information showing how the Agency's *net assets* changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**Clayton Redevelopment Agency
Management's Discussion and Analysis
For the year ended June 30, 2011**

All of the Agency's activities are considered to be governmental in nature and, as a result, no business-type activities are reported in these statements. Governmental activities are those that are principally supported by taxes and intergovernmental revenues. For the Agency, governmental activities consist of fostering vitality in the Clayton Downtown area and improving, preserving and supporting the development of quality affordable housing throughout the City.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements also report the Agency's operations in more detail than the Agency-wide statements by providing information about the Agency's most significant funds. All the Agency's funds are governmental funds. The Agency Board adopts an annual appropriated budget for each fund.

Notes to the Financial Statements

The *notes* provide additional information that is essential to a full understanding of the data provided in the Agency-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets can serve over time as a useful indicator of the Agency's financial position. At June 30, 2011, the Agency's assets were greater than the liabilities by \$3,697,668. The following table displays a year-to-date summary.

Statement of Net Assets

	June 30, 2011	June 30, 2010
Current and other assets	\$ 7,296,853	\$ 7,080,202
Non-current assets	4,266,430	4,190,728
Restricted assets	138,000	151,000
Total Assets	11,701,283	11,421,930
Current liabilities	2,168,615	1,287,067
Long-term liabilities	5,835,000	8,535,000
Total Liabilities	8,003,615	9,822,067
Net Assets:		
Restricted	633,252	12,928,640
Unrestricted	3,064,416	(11,328,777)
Total Net Assets	\$ 3,697,668	\$ 1,599,863

Clayton Redevelopment Agency
Management's Discussion and Analysis
For the year ended June 30, 2011

Statement of Activities
For Fiscal Year Ended

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Percentage Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 225,725	\$ -	N/A
General Revenue:			
Property taxes	5,094,863	5,232,312	(3)
Investment earnings	86,523	189,154	(54)
Miscellaneous	13,800	14,500	(5)
Total revenues	<u>5,420,911</u>	<u>5,435,966</u>	(0)
Expenses:			
Community service and facilities	8,265	37,860	(78)
Economic Development	-	200,744	100
Planning and development	2,329,635	4,616,361	(50)
Interest on long term debt and fiscal charges	459,731	432,620	6
Total expenses	<u>2,797,631</u>	<u>5,287,585</u>	(47)
Transfers from (to) the City of Clayton	<u>(525,475)</u>	<u>283,523</u>	(285)
Changes in net assets	2,097,805	431,904	386
Net assets beginning of year	1,599,863	1,167,959	37
Net assets end of year	<u>\$ 3,697,668</u>	<u>\$ 1,599,863</u>	131

Property tax revenues *decreased* due to decreased property values. Investment income decreased due to the fair market value of investments adjusted to GASB 31 valuations; the continued reduction in cash reserves caused by bond calls; and general interest rate declines. Transfers to the City of Clayton decrease primarily due to the increased debt service payments required to pay off all obligations prior to the Agency hitting the tax increment cap of \$55,000,000.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Agency's funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements.

All of the Agency's funds were presented as major funds as follows:

Clayton Redevelopment Agency
Management's Discussion and Analysis
For the year ended June 30, 2011

Capital Projects Fund – This fund accounts for 80% of the redevelopment property tax increment revenue, \$4,075,890, in project expenditures for the Agency's project area. This fund records the administrative expenditures required to support the Agency's capital projects and includes pass-through payments to other taxing entities and tax increment revenue shifted to the State Educational Revenue Augmentation Fund. This fund balance totaled \$(50,038) at June 30, 2011, compared to \$(334,867) a year earlier.

Affordable Housing Program Fund – This fund accounts for 20% of the redevelopment property tax increment revenue, \$1,018,973, as a set aside for affordable housing developments. This fund balance totaled \$6,183,840 at June 30, 2011, compared to \$5,593,899 a year earlier. \$493,419 of the increase was due to a prior period adjustment recorded to correct an error in the prior years' financial statements (see footnote 9 on page 34).

Redevelopment low and moderate income housing funds supported the Diamond Terrace Senior Housing Project with a subsidy of \$200,000.

Debt Service Fund – This fund accounts for the Agency's series 1996A, and 1999 Tax Allocation Bonds debt service payments. Revenues are transferred from the Capital Projects Fund. This fund balance totaled \$633,252 at June 30, 2011, compared to \$1,161,125 a year ago.

DEBT ADMINISTRATION

Debt Service: The Agency issued Redevelopment Tax Allocation Bonds in 1993, 1996, and 1999 in the amount of \$19,590,000. The proceeds from these bond issues have been used to fund various projects throughout the City. Principal and interest payments totaled \$2,576,639 during 2010-11. The Clayton Redevelopment Agency tax increment cap of \$55 million is net of the housing set aside and revenue sharing agreements. Through solid assessed value growth, the Agency will have collected approximately \$47 million in tax increment against the cap through fiscal year 2011. Although this leaves \$8 million to be collected under the cap, the Agency will reach the cap in 2014. Therefore, all of the outstanding bonds should be defeased on or prior to 2014. To this end, the Agency called \$1,940,000 in bonds in August 2010, and has planned to call an additional \$700,000 in February of 2012. By calling outstanding Agency bonds beginning in 2004, the Agency should stay in compliance with the increment cap test. A gradual bond retirement program is planned that will allow all of the outstanding bonds to be redeemed prior to the Agency reaching its \$55 million tax increment cap.

ECONOMIC FACTORS

The Agency's actual revenues exceeded staff estimates by \$361,114 during this past year. The increase is primarily due to Secured Property Tax revenues that totaled \$5,094,863 and exceeded original budgeted revenues by \$167,966. Most of the excess revenue is due to conservative budgeting estimates, and an increase in property sales.

Clayton Redevelopment Agency
Management's Discussion and Analysis
For the year ended June 30, 2011

Out of the Agency's gross revenue stream, \$3,984,569 (80%) flows to our Agency's discretionary-use fund while the balance \$1,230,770 (20%) is deposited in our state-required Low-Moderate Housing fund. The Agency has carefully managed its fiscal resources, and does have adequate tax increment revenues available that will not disrupt pre-existing debt obligations or operations.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Manager, 6000 Heritage Trail, Clayton, CA 94517.

This page intentionally left blank

Basic Financial Statements

This page intentionally left blank

Government-Wide Financial Statements

Clayton Redevelopment Agency
Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 6,220,832
Cash with fiscal agent	<u>1,076,021</u>
Interest receivable	
Total Current Assets	<u>7,296,853</u>
Noncurrent Assets:	
Notes receivable	4,266,430
Investment in bonds	<u>138,000</u>
TOTAL ASSETS	<u>11,701,283</u>
LIABILITIES	
Accounts payable	4,231
Due to other funds	442,769
Advances from the City of Clayton	976,899
Interest payable	134,716
Long-term debt due within one year	610,000
Long-term debt due in more than one year	<u>5,835,000</u>
TOTAL LIABILITIES	<u>8,003,615</u>
NET ASSETS	
Restricted	633,252
Unrestricted	<u>3,064,416</u>
TOTAL NET ASSETS	<u>\$ 3,697,668</u>

The accompanying notes are an integral part of these financial statements

Clayton Redevelopment Agency
Statement of Activities
For the fiscal year ended June 30, 2011

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
Primary Government:					
Governmental activities					
Community services and facilities	\$ 8,265	\$ -	\$ -	\$ -	\$ (8,265)
Planning and development	2,329,635	225,725	-	-	(2,103,910)
Interest and fiscal charges	459,731	-	-	-	(459,731)
Total governmental activities	\$ 2,797,631	\$ 225,725	\$ -	\$ -	(2,571,906)
 General revenues and transfers:					
Taxes:					
Property taxes					5,094,863
Total Taxes					<u>5,094,863</u>
Investment income (loss)					86,523
Miscellaneous					13,800
Transfers to the City of Clayton					(525,475)
Total general revenues and transfers					<u>4,669,711</u>
Change in Net Assets					2,097,805
Net assets - beginning of fiscal year					<u>1,599,863</u>
Net assets - end of fiscal year					<u>\$ 3,697,668</u>

The accompanying notes are an integral part of these financial statements

This page intentionally left blank

Governmental Funds Financial Statements

The Clayton Redevelopment Agency has determined all of its funds to be major funds.

The *Capital Projects Fund* accounts for project expenditures in the Agency's project area.

The *Low/Moderate Capital Projects Fund* accounts for redevelopment property tax increments, which must be set aside for low and moderate income housing.

The *Debt Service Fund* accounts for the Agency's Series 1996A, and 1999 Tax Allocation Bonds debt service payments.

Clayton Redevelopment Agency
Balance Sheet
Governmental Funds
June 30, 2011

	<u>RDA Capital Projects Fund</u>	<u>RDA Low/ Moderate Income Capital Projects Fund</u>	<u>RDA Debt Service Fund</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS					
Cash and investments	\$ 1,381,221	\$ 4,839,611	\$ -	\$ -	\$ 6,220,832
Cash and investments with fiscal agents	-	-	1,076,021	-	1,076,021
Notes receivable	244,380	4,614,462	-	(592,412)	4,266,430
Investment in bonds	<u>138,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,000</u>
Due from other funds	-	-	-	-	-
Advance to other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,763,601</u>	<u>\$ 9,454,073</u>	<u>\$ 1,076,021</u>	<u>\$ (592,412)</u>	<u>\$ 11,701,283</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ 1,598	\$ 2,633	\$ -	\$ -	\$ 4,231
Deferred revenue	242,730	3,267,600	-	-	3,510,330
Notes payable	592,412	-	-	(592,412)	-
Due to the City of Clayton	-	-	442,769	-	442,769
Advance from the City of Clayton	<u>976,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>976,899</u>
TOTAL LIABILITIES	<u>1,813,639</u>	<u>3,270,233</u>	<u>442,769</u>	<u>(592,412)</u>	<u>4,934,229</u>
FUND BALANCE					
Restricted	-	-	633,252	-	633,252
Assigned	<u>(50,038)</u>	<u>6,183,840</u>	<u>-</u>	<u>-</u>	<u>6,133,802</u>
TOTAL FUND BALANCE	<u>(50,038)</u>	<u>6,183,840</u>	<u>633,252</u>	<u>-</u>	<u>6,767,054</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,763,601</u>	<u>\$ 9,454,073</u>	<u>\$ 1,076,021</u>	<u>\$ (592,412)</u>	<u>\$ 11,701,283</u>

The accompanying notes are an integral part of these financial statements

Clayton Redevelopment Agency
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
June 30, 2011

Total Fund Balances - Total Governmental Funds	\$ 6,767,054
---	---------------------

Amounts reported for governmental activities in the Statement of Net Assets were different because:

Interest payable on long-term debt does not require current financial resources.	(134,716)
--	-----------

Revenues which are deferred on the Governmental Funds Balance Sheet because they are not available currently are recorded revenue in the Statement of Activities and accordingly increase the net assets on the Statement of Net Assets.	3,510,330
--	-----------

Long-term liabilities are not due and payable in the current period and therefore

Long-term debt - current portion	(610,000)
----------------------------------	-----------

Long-term debt -noncurrent portion	<u>(5,835,000)</u>
------------------------------------	--------------------

Net Assets of Governmental Activities	<u>\$ 3,697,668</u>
--	----------------------------

The accompanying notes are an integral part of these financial statements

Clayton Redevelopment Agency

Statements of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2011

	Major Funds			
		RDA Low/ Moderate		
	RDA Capital Projects Fund	Income Capital Projects Fund	RDA Debt Service Fund	Total
REVENUES				
Property taxes	\$ 4,075,890	\$ 1,018,973	\$ -	\$ 5,094,863
Program income	-	225,725	-	225,725
Sales taxes	-	-	-	-
Permits, licenses and fees	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	9,360	77,163	-	86,523
Other revenue	13,800	-	-	13,800
TOTAL REVENUES	\$ 4,099,050	\$ 1,321,861	\$ -	\$ 5,420,911
EXPENDITURES				
General Government				
Community services and facilities	-	-	8,265	8,265
Planning and development	1,278,134	815,742	-	2,093,876
Loss on sale of land held of resale	-	259,502	-	259,502
Principal	-	-	2,195,000	2,195,000
Interest and fiscal charges	42,225	-	392,780	435,005
Capital Outlay	50,310	-	-	50,310
TOTAL EXPENDITURES	1,370,669	1,075,244	2,596,045	5,041,958
REVENUES OVER (UNDER) EXPENDITURES	2,728,381	246,617	(2,596,045)	378,953
OTHER FINANCING SOURCES				
Transfers in	-	-	2,068,172	2,068,172
Transfers out	(2,443,552)	(150,095)	-	(2,593,647)
TOTAL OTHER FINANCING SOURCES (USES)	(2,443,552)	(150,095)	2,068,172	(525,475)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	284,829	96,522	(527,873)	(146,522)
FUND BALANCES:				
Beginning of year, as previously reported	(334,867)	5,593,899	1,161,125	6,420,157
Prior period adjustment to correct error (See Note 13)	-	493,419	-	493,419
Beginning of fiscal year, as restated	(334,867)	6,087,318	1,161,125	6,913,576
End of fiscal year	\$ (50,038)	\$ 6,183,840	\$ 633,252	\$ 6,767,054

The accompanying notes are an integral part of these financial statements

Clayton Redevelopment Agency
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund
Balances to the Government-wide Statement of Activities
For the fiscal year ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds **\$ (146,522)**

Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:

Certain notes receivable are reported as expenditures in the Governmental Funds (400,947)

Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-wide Statement of Net Assets.

This amount represents long-term debt repayments. 2,670,000

Accrued interest expense on long-term debt is reported in the Government-wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, interest expense is not reported as expenditures in Governmental Funds. This amount represents the change in interest payable. (24,726)

Change in Net Assets of Governmental Activities **\$ 2,097,805**

The accompanying notes are an integral part of these financial statements

This page intentionally left blank

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Clayton Redevelopment Agency of the City of Clayton, California, (Agency) have been prepared in conformity with accounting principles generally accepted in the U.S.A. (USGAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Agency's significant accounting policies are described below.

A. Description of Reporting Entity

The Agency is a blended component unit of the City of Clayton (City). The City Manager acts as the Agency's Executive Director and the City Council acts as the governing commission, which exerts significant influence over its operations. Accordingly, the financial operations of the Agency have also been included in the financial statements issued by the City.

The Agency was established in June 1987. The Agency Board members are the elected officials of the City Council. Redevelopment Plans were adopted in June 1987 for the Redevelopment Project Area. The Agency was established pursuant to the Community Development Law of the State of California as codified in Part I of Division 24 of the State of California Health and Safety Code. As such, the Agency acts as a legal entity, separate and distinct from the City, even though the City Council serves as the Agency's Board of Directors.

The actions of the Agency are binding and its representatives routinely transact business, including the incurrence of long-term debt, in the Agency's name. The Agency is broadly empowered to engage in the general economic revitalization and redevelopment of the City through acquisition and development of property in those areas of the City determined to be in a declining condition and within the Project Area.

B. Basis of Accounting/Measurement Focus

The accounts of the Agency are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government - wide Financial Statements - The Agency's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental activities for the Agency.

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
For the year ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting/Measurement Focus, continued

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the Agency’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Agency did not have any significant program revenues at June 30, 2011. The majority of the Agency’s revenues were considered to be general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. The following interfund activities have been eliminated:

- Transfers in/out

Governmental Funds Financial Statements - Governmental funds financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all governmental funds. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The Agency has presented all major funds.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue source, which has been treated as susceptible to accrual by the Agency, is property taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting/Measurement Focus, continued

The Reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The Agency has the following major funds:

- Capital Project Fund – This fund accounts for project expenditures in the Agency’s project area.
- Low/moderate Capital Projects Fund – This fund accounts for redevelopment property tax increments, which must be set aside for low and moderate income housing.
- Debt Service Fund – This fund accounts for the Agency’s Series 1993, 1996A, and 1999 Tax Allocation Bonds debt service payments.

C. Use of Restricted and Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Agency’s policy is to apply restricted net assets first.

D. Cash and Investments

The Agency pools its available cash with the City for investment purposes. The City considers pooled cash and investment amounts with original maturities of three months or less to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The Agency participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
For the year ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Cash and Investments, continued

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements, if applicable, for Deposits and Investment Risks are specified in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

E. Land Held for Resale

The Agency acquires parcels of land from time to time as part of its primary purpose to develop or redevelop City properties. The property is carried at the lower of cost or net realizable value.

F. Long-Term Liabilities

Government-wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred charges.

Fund Financial Statements

The Governmental Fund Financial Statements do not present long-term debt, which are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. Fund Balances

In March 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes a hierarchy based on the extent to which a government is bound to observe spending constraints that govern how it can use amounts reported in the governmental funds balance sheet.

The Fund Financial Statements consist of Nonspendable, Restricted, Committed, Assigned and Unassigned amounts.

Nonspendable fund balance represents amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as an endowment fund).

Restricted fund balance represents amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or enabling legislation.

Committed fund balance represents amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned fund balance represents amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or staff member to whom the governing body delegates authority.

Unassigned fund balance represents amounts that are available for any purpose; these amounts are reported only in the general fund, or when a fund has a negative fund balance.

H. Net Assets

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets. The Agency had no net assets that were invested in capital assets net of related debt.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets.”

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
For the year ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Implementation of New GASB Pronouncements

The Agency has implemented the following accounting standards during the fiscal year ended June 30, 2011:

- GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in March 2009. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Additional disclosure concerning the implementation of GASB Statement No. 54 is above in note 1G.

2. CASH AND INVESTMENTS

The Agency has pooled its cash and investments of \$6,220,832 with the City in order to achieve a higher return on investment. The City maintains a cash and investment pool, which includes cash balances and authorized investments of all the Agency's funds, which the City invests to enhance interest earnings. The pooled interest earned is allocated to the Agency's funds quarterly, based on average daily cash and investment balances in these funds. Certain restricted funds, which are held and invested by independent outside custodians through contractual agreements, are not pooled. These restricted funds include cash with fiscal agents. The investments made by the City are limited to those allowable under State statutes and include the following types of investments:

U.S. Government Securities
Certificates of Deposit
Mutual Funds
Guaranteed Investment Contracts
Commercial Paper
Repurchase Agreements
Deposits with Banks
State of California Local Agency Investment Fund

All cash and investments are stated at fair value. Pooled investment earnings are allocated monthly based on the average cash and investment balances of the various funds and related entities of the City.

2. CASH AND INVESTMENTS, CONTINUED

Cash and investments in the accompanying Statement of Net Assets include investment earnings accrued through June 30, 2011.

The Agency also had cash with fiscal agents in the amount of \$1,076,021 which was designated for debt service payments. These funds were all invested in money market accounts.

See the City's Basic Financial Statements for disclosures related to cash and investments and the disclosures related to credit risk, concentration of credit risk, and interest rate risk.

3. NOTES RECEIVABLE

At June 30, 2011, notes receivable consisted of the following:

Description	Beginning Balance July 1, 2010	Additions	Deletions	Ending Balance June 30, 2011
Professional Apartment Management, Inc.	\$ 3,129,000	\$ 200,000	\$ 61,400	\$ 3,267,600
Eden Housing, Inc. (formerly Peace Grove)	567,000	-	-	567,000
Second Mortgage Program	187,450	-	-	187,450
Assessment District Loans	295,718	-	51,338	244,380
Total	\$ 4,179,168	\$ 200,000	\$ 112,738	\$ 4,266,430

Professional Apartment Management, Inc.

On September 21, 1999, the Agency made a loan to the Professional Apartment Management, Inc. ("PAM") in the amount of \$750,000, at non-interest bearing rate, to construct and develop an affordable senior assisted living center on the site to be known as "Diamond Terrace." The note is secured by the Deed of Trust. On October 1, 2001, the Agency entered into an agreement to loan PAM up to \$4,036,000 including the \$750,000 note previously advanced. The additional loan is at a non-interest bearing rate. Repayment of the loan is commenced on October 1, 2005, with annual payments through October 1, 2023. As of June 30, 2011, the outstanding balance of the loan was \$3,267,600.

Eden Housing, Inc.

On October 13, 1992, the Agency made a loan to the Eden Housing Inc. (formerly Peace Grove, Inc.) in the amount of \$567,000, at a non-interest bearing rate, for the purchase of land for redevelopment and housing project for low-income mental health system clients. The loan is secured by a Deed of Trust. The loan has been assumed by Eden Housing, Inc. The principal balance is payable on December 18, 2052. As of June 30, 2011, the outstanding balance of the loan was \$567,000.

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
For the year ended June 30, 2011

3. NOTES RECEIVABLE, CONTINUED

Second Mortgage Program

The Agency participates in a second mortgage assistance program, whereby qualified applicants are loaned money for a "silent second" down payment to purchase a home in the Stranahan development within the City. There are seven individual loans. As of June 30, 2011, the outstanding balance of the loans was \$187,450.

Assessment District Loans

The Agency has provided assistance to special assessment districts within the City, to fund repairs and improvements. There are three districts which received loans. As of June 30, 2011, the outstanding balance of the loans were \$244,380.

4. INTERFUND TRANSACTIONS

Interfund Transfers

During the fiscal year ended June 30, 2011, the Agency had the following interfund transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Capital Projects Fund	\$ -	\$ 2,443,552
Low/Moderate Capital Projects Fund	-	150,095
Debt Service Fund	2,068,172	-
City of Clayton	525,475	-
	<u>\$ 2,593,647</u>	<u>\$ 2,593,647</u>

The Agency transferred \$2,068,172 from the capital projects fund to the debt service fund for the current debt service payments.

5. INTERFUND NOTE

On May 10, 2011, the Capital Projects Fund received a loan from the Low to Moderate Income Housing Fund in the amount of \$592,412 to partially cover a demand from the California Department of Finance for property tax revenues to K-12 schools during the 2009-10 fiscal year via the Supplemental Educational Revenue Augmentation Funds (SERAF). The loan is to be repaid without interest by June 30, 2015.

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
June 30, 2011

6. LONG-TERM DEBT

The following is a summary of long-term debt transactions during the fiscal year ended June 30, 2011:

Description	Beginning Balance July 1, 2010	Additions	Reductions	Ending Balance June 30, 2011	Amounts Due Within One Year	Amounts Due in More Than One Year
Governmental activities:						
1996 Refund Tax Allocation Bonds	\$ 3,210,000	\$ -	\$ (1,940,000)	\$ 1,270,000	\$ 340,000	\$ 930,000
1999 Tax Allocation Bonds	5,430,000	-	(255,000)	5,175,000	270,000	4,905,000
Advances from City of Clayton	475,000	501,899	-	976,899	-	976,899
Total governmental activities	\$ 9,115,000	\$ 501,899	\$ (2,195,000)	\$ 7,421,899	\$ 610,000	\$ 6,811,899

1996 Series A Refunding Tax Allocation Bonds

1996 Series A Refunding Tax Allocation Bonds in the principal amount of \$7,225,000 were issued on November 16, 1996, by the Agency. Principal payments are payable on August 1 of each year. Interest payments are payable semi-annually on February 1 and August 1. Bonds maturing after August 1, 2010, are subject to call on any interest payment date at par, plus a premium 1 % to 2% of the principal amount. The bonds are special obligations of the Agency and are secured by the Agency's tax increment revenue. In the current year early bond calls in the amount of \$1,615,000 are included in the current year debt service.

The annual debt service requirements to amortize the 1996 Refunding Tax Allocation Bonds outstanding at June 30, 2011, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 340,000	\$ 59,083	\$ 399,083
2013	-	49,987	49,987
2014	-	49,987	49,987
2015	-	49,987	49,987
2016	-	49,987	49,987
2017 – 21	930,000	153,189	1,083,189
Total	\$ 1,270,000	\$ 412,220	\$ 1,682,220

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
For the year ended June 30, 2011

6. LONG-TERM DEBT, CONTINUED

1999 Tax Allocation Bonds

1999 Issue Tax Allocation Bonds in the principal amount of \$7,460,000 were issued on June 15, 1999 by the Agency. Principal payments are payable on August 1 of each year. Interest payments are payable semi-annually on February 1 and August 1. The bonds are special obligations of the Agency and are secured by the Agency's tax increment revenues.

The annual debt service requirements to amortize the 1999 Tax Allocation Bonds outstanding at June 30, 2011, were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	270,000	248,930	518,930
2013	280,000	236,140	516,140
2014	295,000	222,554	517,554
2015	310,000	208,030	518,030
2016	320,000	192,672	512,672
2017 – 21	1,860,000	701,666	2,561,666
2022 – 25	1,840,000	189,750	2,029,750
Total	<u>\$ 5,175,000</u>	<u>\$ 1,999,742</u>	<u>\$ 7,174,742</u>

Advances from the City of Clayton

On June 17, 1999, the Agency received a loan from the City in the amount of \$475,000, at an interest rate of 6.5%. The interest is payable quarterly and the principal balance payable in full on or before January 1, 2023.

In February of 2011, the Agency recognized a debt owed to the City in the amount of \$501,899. The debt resulted from the Agency omitting payment to the City of an annual 2% election payment for the past twenty-one years. The City has recognized this advance of funds and the Agency has agreed to pay back this advance in four annual installments of \$125,475. As of June 30, 2011, the balance of the advances from the City was \$976,899.

7. RISK MANAGEMENT

As a component unit of the City, the Agency participates in joint power agreements through the Municipal Pooling Authority of Northern California (Authority) which provides insurance coverage for liability and workers' compensation claims. Claims liabilities are accrued when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The Authority covers claims in an amount up to \$29,000,000. The City has a deductible of \$5,000 per claim for liability cases and no deductible for workers' compensation claims. Once the City's deductible is met, the Authority becomes responsible for payment of all claims. The Authority is self-insured up to \$1,000,000 per claim and has excess coverage to a maximum of \$29,000,000.

The Authority is governed by a board consisting of representatives from member municipalities. The board controls the operations of the Authority including selection of management, approval of operating budgets and is independent of any influence by member municipalities beyond their representation on the Board. The Executive Director of the Agency (i.e. City Manager) is a Board member of the Authority.

The City's general liability premium payments to the Authority in the amount of \$81,736 for fiscal year 2010-2011 are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Detailed financial information may be obtained from the Authority at the following address:

Municipal Pooling Authority of California
1911 San Miguel Drive Suite #200
Walnut Creek, CA 94596

8. OTHER FUND DISCLOSURES

A. Expenditures over Appropriations

The following funds had an excess of expenditures over budgeted appropriations in the current fiscal year:

	<u>Amount</u>
<i>RDA Low/Moderate</i>	399,472
<i>RDA Debt Service</i>	527,873

B. Deficit Fund Balance

At June 30, 2011, the RDA Capital Projects Fund had a deficit fund balance of \$ (50,038).

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
For the year ended June 30, 2011

9. PRIOR PERIOD ADJUSTMENT

During the fiscal year ended June 30, 2011, management determined that deferred revenues for the RDA Low/Moderate Capital Projects Fund were not being properly matched to the corresponding note receivable, resulting in improper recognition of revenues for fiscal years ended June 30, 2007, through June 30, 2010. Therefore, the beginning fund balance of the RDA Low/Moderate Capital Projects Fund has been restated and increased by \$493,419. The effect on revenues and other financing sources over expenditures and other financing uses for the RDA Low/Moderate Capital Projects Fund for the fiscal year ended June 30, 2010, would have been a decrease of \$279,332.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 7, 2013, the date on which the financial statements were available to be issued. There are no known material violations of finance-related legal and contractual provisions.

Other Supplementary Information

This page intentionally left blank

BUDGETARY PRINCIPLES

The Agency follows these procedures in establishing the budgetary data reflected in the financial statements:

- By June 30, the City Manager submits to the City Council a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. Continuing appropriations are rebudgeted by the City Council as part of the adoption of subsequent year's budgets. The City and Agency routinely conduct a public Mid-Year Budget Review each year in late January or early February.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of a resolution during a City Council meeting in the month of June.
- The City Manager is authorized to transfer budgeted amounts within an activity, within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- Formal budgeting is employed as a management control device during the year for the general, certain special revenue and debt service funds.
- Budgets for the debt service and capital project funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Budgeted amounts are as originally adopted or as amended by the City Council. Budget amendments were not material in relation to the original appropriations.

Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary accounting. Since encumbrances do not yet constitute expenditures or liabilities, encumbrances outstanding at year-end are reported as reservations of fund balances.

Clayton Redevelopment Agency
Budgetary Comparison Schedule
For the fiscal year ended June 30, 2011
RDA Capital Projects Fund

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 3,941,518	\$ 4,075,890	\$ 134,372
Use of money and property	5,000	9,360	4,360
Other revenue	<u>5,000</u>	<u>13,800</u>	<u>8,800</u>
TOTAL REVENUES	<u>3,951,518</u>	<u>4,099,050</u>	<u>147,532</u>
EXPENDITURES			
Planning and development	1,263,788	1,278,134	(14,346)
Interest and fiscal charges	30,875	42,225	(11,350)
Capital outlay	<u>15,000</u>	<u>50,310</u>	<u>(35,310)</u>
TOTAL EXPENDITURES	<u>1,309,663</u>	<u>1,370,669</u>	<u>(61,006)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,641,855</u>	<u>2,728,381</u>	<u>86,526</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	338,510	-	(338,510)
Transfers out	<u>(3,226,475)</u>	<u>(2,443,552)</u>	<u>782,923</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,887,965)</u>	<u>(2,443,552)</u>	<u>444,413</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (246,110)</u>	284,829	<u>\$ 530,939</u>
FUND BALANCES:			
Beginning of fiscal year		<u>(334,867)</u>	
End of fiscal year		<u>\$ (50,038)</u>	

Clayton Redevelopment Agency
Budgetary Comparison Schedule
For the fiscal year ended June 30, 2011
RDA Low/Moderate Income Capital Projects Fund

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 985,379	\$ 1,018,973	\$ 33,594
Program income	61,400	225,725	164,325
Use of money and property	60,000	77,163	17,163
TOTAL REVENUES	<u>1,106,779</u>	<u>1,321,861</u>	<u>215,082</u>
EXPENDITURES			
Planning and development	460,689	815,742	(355,053)
Loss on sale of land held for resale	<u>-</u>	<u>259,502</u>	<u>(259,502)</u>
TOTAL EXPENDITURES	<u>460,689</u>	<u>1,075,244</u>	<u>(614,555)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>646,090</u>	<u>246,617</u>	<u>(399,473)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(150,095)</u>	<u>(150,095)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(150,095)</u>	<u>(150,095)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 495,995</u>	<u>96,522</u>	<u>\$ (399,473)</u>
FUND BALANCES:			
Beginning of fiscal year, as previously reported		5,593,899	
Prior period adjustment		<u>493,419</u>	
Beginning of fiscal year, as restated		<u>6,087,318</u>	
End of fiscal year		<u>\$ 6,183,840</u>	

Clayton Redevelopment Agency
Budgetary Comparison Schedule
For the fiscal year ended June 30, 2011
RDA Debt Service Fund

	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Use of money and property	\$ 1,500	\$ -	\$ (1,500)
TOTAL REVENUES	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
EXPENDITURES			
Community services and facilities	8,265	8,265	-
Principal	2,335,000	2,195,000	140,000
Interest and fiscal charges	<u>509,330</u>	<u>392,780</u>	<u>116,550</u>
TOTAL EXPENDITURES	<u>2,852,595</u>	<u>2,596,045</u>	<u>256,550</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,851,095)</u>	<u>(2,596,045)</u>	<u>255,050</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>2,851,095</u>	<u>2,068,172</u>	<u>(782,923)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,851,095</u>	<u>2,068,172</u>	<u>(782,923)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>(527,873)</u>	<u>\$ (527,873)</u>
FUND BALANCES:			
Beginning of fiscal year		<u>1,161,125</u>	
End of fiscal year		<u>\$ 633,252</u>	



office location
2700 Ygnacio Valley Rd, Ste 230
Walnut Creek, CA 94598
(925) 932-3860 tel

mailing address
2977 Ygnacio Valley Rd, PMB 460
Walnut Creek, CA 94598
(925) 476-9930 ofax

www.cropperaccountancy.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The City Council
City of Clayton, California

We have audited the basic financial statements of the Clayton Redevelopment Agency (Agency) as of and for the year ended June 30, 2011, and have issued our report thereon dated January 7, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Agency Board of Directors, others within the entity, and the California State Controller's Offices Division of Accounting and Reporting, and is not intended to be and should not be used by anyone other than these specified parties.

Cropper Accountancy Corporation
CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California
January 7, 2013

**MINUTES
REGULAR MEETING
OAKHURST GEOLOGICAL HAZARD ABATEMENT DISTRICT (GHAD)
December 4, 2012**

Agenda Date: 2-5-13

Agenda Item: 3a

1. **CALL TO ORDER AND ROLL CALL** – the meeting was called to order by Chairman Stratford at 8:03 p.m. Boardmembers present: Chairman Stratford, Boardmembers Geller, Pierce, and Shuey. Staff present: City Manager Napper, General Legal Counsel Subramanian, and Secretary Jackson.
2. **PUBLIC COMMENTS** - None.
3. **CONSENT CALENDAR** – It was moved by Boardmember Pierce, seconded by Boardmember Shuey, to approve the Consent Calendar as submitted (Passed; 5-0 vote).
 - (a) Approved the minutes from the regular meetings of July 17, 2012.
5. **ANNUAL REORGANIZATION OF THE BOARD OF DIRECTORS**
 - (a) Nominations and election of Chair.

Chairman Stratford opened nominations.

It was moved by Boardmember Pierce, seconded by Chairman Stratford, to nominate David Shuey for the position of Chairman. No other nominations were received. Chairman Stratford called for the vote and the nomination passed (Passed; 5-0 vote).
 - (b) Nominations and election of Vice Chair.

Chairman Shuey opened nominations for Vice Chair.

It was moved by Boardmember Pierce, seconded by Boardmember Stratford, to nominate Jim Diaz for the position of Vice Chairman. No other nominations were received. Chair Shuey called for the vote to elect Jim Diaz as Vice Chair and the nomination passed (Passed; 5-0 vote).
6. **BOARD ITEMS** – limited to requests and directives for future meetings.

None.
7. **ADJOURN**- on call by Chairman Shuey the meeting adjourned at 8:04 p.m.

Respectfully submitted,

Laci J. Jackson, Secretary

Approved by the Board of Directors
Geological Hazard Abatement District

David T. Shuey, Chairman



Agenda Date: 2-5-13
Agenda Item: 5a

GHAD STAFF REPORT

TO: HONORABLE CHAIRPERSON AND BOARD MEMBERS

FROM: RICK ANGRISANI, DISTRICT MANAGER

DATE: FEBRUARY 5, 2013

SUBJECT: CONSIDERATION OF A RESOLUTION ACCEPTING THE KELOK WAY DEWATERING WELL INSTALLATION PROJECT AS COMPLETE AND ORDERING THE FILING OF A NOTICE OF COMPLETION

RECOMMENDATION

Adopt the attached Resolution. .

BACKGROUND

The installation of the Kelok Way dewatering wells has been completed by Engineered Soli Repairs ("ESR") and ESR is requesting acceptance of the work and the filing of a Notice of Completion. A complete report on the project has been prepared by the engineer, Stevens, Ferrone & Bailey ("SFB") and is included with this staff report.

The construction went well with the only mishap being damage to an existing sewer later while drilling Well No. 2. The lateral was repaired by ESR, at no cost to the GHAD, and Well No. 2 was relocated to avoid the lateral. Water level readings taken after completion of construction showed a significant drop.

As can be seen in staff's Final Project Report, the project costs were at the anticipated budget amount with the exception of an additional \$4,700± paid to SFB for inspection and testing related to the sewer lateral repair. There remains \$32,239.83 in unexpended lawsuit settlement funds. Per the settlement agreement, the GHAD will receive 20% or \$6,448.64 of these remaining funds.

ONGOING MAINTENANCE

The SFB project report recommends continued monitoring of the existing piezometers and inclinometers as well as monitoring of the water levels in the new wells and the inclinometer casings attached to each well. SFB recommends that several monitoring sessions be performed in order to evaluate noticeable trends in the monitoring data.

Per SFB, it is unknown if the dewatering wells and associated drainage system will have an impact on the general stability of the area unless the area is monitored and geotechnical evaluations are performed. It should not be assumed that the lowering of the ground water levels in the area of the wells will reduce or stop future ground movement.

It is not anticipated that any significant maintenance work will be required.

FISCAL IMPACT

This project has been funded by \$725,000 in lawsuit settlement funds (paid by several parties including William Lyon Homes) from the recently settled lawsuits in the Oakhurst Country Club development. Since the total project costs were less than the budgeted amount, the settlement agreement called for any remaining funds to be split between the GHAD and William Lyon Homes on a 20/80 basis.

Therefore, the GHAD will receive \$6,448.64 of the \$32,239.83 remaining funds. So much for the good news.

SFB has submitted the attached proposal for the ongoing monitoring that will cost the GHAD \$11,700 the first year and \$9,600 each year thereafter for two inspections each year. Since the GHAD receives only about \$33,000 annually from assessments, the fiscal impact will be severe. Since there is really no need to begin the inspections immediately, Staff is recommending that this issue be addressed at the time the Board reviews the GHAD's budget for next fiscal year. This will also allow staff more time to develop possible options for the Board's consideration.

CONCLUSION

The project is complete and the work has satisfied the project's specifications. Therefore, Staff recommends approval of this Resolution accepting the work as complete, ordering the filing of a Notice of Completion, and the payment of all retained funds 35 days after filing of the notice.

Attachments: Resolution
 Notice of Completion
 Final Project Report – staff
 Final Project Report – SFB
 Monitoring Proposal from SFB

GHAD RESOLUTION NO. - 2013

**A RESOLUTION ACCEPTING THE CONSTRUCTION OF THE KELOK WAY
DEWATERING WELLS AS COMPLETE AND ORDERING THE FILING
OF A NOTICE OF COMPLETION**

**THE OAKHURST GEOLOGICAL HAZARD ABATEMENT DISTRICT
BOARD OF DIRECTORS
City of Clayton, California**

WHEREAS, on July 17, 2012, the Board of Directors ("Board") for the Oakhurst Geological Hazard Abatement District ("GHAD") of Clayton, California did award a contract to Engineered Soil Repairs, Inc. for the construction of the Kelok Way Dewatering Wells Project; and

WHEREAS, Engineered Soil Repairs, Inc. has now represented their work is complete and they are requesting acceptance by the Board; and

WHEREAS, the Board must accept the work as complete and order the filing of a Notice of Completion prior to release of the retained funds; and

WHEREAS, the Board's Consultant, Stevens Ferrone & Bailey and the District Manager have inspected the work, and declare the contract and related project specifications have been fulfilled, and the District Manager now requests the Board to accept the work and authorize the filing of a Notice of Completion.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors for the Oakhurst Geological Hazard Abatement District of Clayton, California does hereby accept as completed as of the date of adoption of this Resolution the construction of the Kelok Way Dewatering Wells Project, hereby authorizes the District Manager to file a Notice of Completion with the County Recorder, and further authorizes the release of the contract retention after the required 35 day waiting period; and

PASSED, APPROVED AND ADOPTED by the Board of Directors for the Oakhurst Geological Hazard Abatement District of Clayton, California, at a regular public meeting thereof held on the 5th day of February, 2013 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

BOARD OF DIRECTORS FOR THE OAKHURST
GEOLOGICAL HAZARD ABATEMENT DISTRICT

DAVID T. SHUEY, Chairman

ATTEST:

Laci Jackson, Board Clerk

#

I hereby certify that the foregoing resolution was duly and regularly passed by the Board of Directors for the Oakhurst Geological Hazard Abatement District at its regular public meeting held on February 5, 2013.

Laci J. Jackson, City Clerk

Recorded at the request of:

City of Clayton
Oakhurst Geological Hazard Abatement District
6000 Heritage Trail
Clayton, CA 94517

**NOTICE OF ACCEPTANCE
AND COMPLETION OF PUBLIC WORKS**

NOTICE IS HEREBY GIVEN that the City of Clayton Oakhurst Geological Hazard Abatement District (GHAD) did, on or about August 8, 2012, contract with Engineered Soil Repairs, Inc., 1267 Springbrook Road, Walnut Creek, California, 94596, for the construction of the Kelok Way Dewatering Wells Project in accordance with the plans and specifications prepared by Stevens Ferrone & Bailey Engineering Company, Inc. and said contractor's surety was and is The Hanover Insurance Company, c/o CT Corporation System, 818 West Seventh Street, Los Angeles, CA 90017.

NOTICE IS FURTHER GIVEN that the GHAD District Manager has inspected the finished work of the Contractor and reported that the work complies with the approved plans and specifications and recommended its acceptance as complete; also that the GHAD Board of Directors, by adopting GHAD Resolution No. XX - 2013 on February 5, 2013, accepted said public work as complete.

I hereby certify that the foregoing is true and correct and that the aforesaid action of the Board of Directors of the Oakhurst Geological Hazard Abatement District, in accepting said public work as completed, was duly entered on the minutes of said Board's meeting of February 5, 2013. I declare under penalty of perjury that the foregoing is true and correct.

Dated: February 6, 2013, at Clayton, California.

Laci Jackson, Board Clerk

**CITY OF CLAYTON
OAKHURST GEOLOGICAL HAZARD ABATEMENT DISTRICT
925/363-7433
fax 925/825-5294**

FINAL PROJECT REPORT

KELOK WAY DEWATERING WELLS INSTALLATION

Project Description

Installation of six dewatering wells on Kelok Way above North Valley Park and six horizontal drain lines from the wells to a collection box near Golden Eagle Place.

Scope Changes During Construction

Construction went generally as anticipated. During installation of the second well, an existing sewer lateral was damaged and required repair. The contractor, Engineered Soil Repairs, performed the repairs at no cost to the District, however, additional observation and testing by the Stevens Ferrone and Bailey added \$4,695.17 to the total project costs.

Budget and Funding Sources

Total Budget: \$725,000

Sources:

Lawsuit settlement	<u>725,000</u>
Total	\$725,000

Final Costs

Engineered Soil Repairs (paid to date)	620,420.74
Engineered Soil Repairs (retention)	32,644.26
Stevens Ferrone & Bailey (inspection & testing)	34,695.17
GHAD – administrative & overhead	<u>5,000.00</u>
Total Project Costs	\$692,760.17

Budget Variance: over (under) (\$32,239.83) (4.45%)

Per the settlement agreement, any funds remaining are to be split 80/20 between William Lyon and the GHAD:

William Lyon	\$25,791.19
GHAD	<u>6,448.64</u>
Total	\$32,239.83

December 17, 2012

Mr. Rick Angrisani
Oakhurst Geologic Hazard Abatement District
6000 Heritage Trail
Clayton, CA 94517

Re: Geotechnical Observation and Testing – Final Report
Kelok Way Dewatering Wells, Clayton, CA
SFB Project No.: 555-1

Mr. Angrisani:

In accordance with the project requirements, Stevens, Ferrone & Bailey Engineering Company, Inc. (SFB) provided geotechnical observation and testing services during construction of six Kelok Way dewatering wells and associated outlet pipes located in Clayton, California. The project's construction plans and specifications were initially prepared by SFB in August, 2011, and submitted for review to Cal Engineering & Geology, Applied GeoKinetics, and the Oakhurst Geologic Hazard Abatement District. Modifications to the original construction details and specifications were made by SFB as specified by the reviewers after all reviews were completed, and the final set of plans was dated November 10, 2011. During construction, the project's general contractor was Engineered Soil Repairs, Inc. (ESR), the well contractor was Pacific Coast Drilling Co., Inc. (PCDC), and the outlet pipe contractor was Cross Country HDI (Cross Country). The purpose of the construction of the dewatering wells and associated outlet pipes is to lower ground water levels below Kelok Way in the area between 8002 and 8006 Kelok Way.

1.0 SCOPE OF SERVICES

Our scope of services included part-time geotechnical observation and testing during the following operations between August 21, 2012 and November 15, 2012 to verify that the observed construction was completed in general conformance with the geotechnical aspects of the Kelok Way Dewatering Wells plans and specifications:

- Site preparation;
- Drilling and installation of dewatering wells and inclinometer casings;

- Placement and compaction of well cuttings;
- Drilling and installation of outlet pipes;
- Installation of a new collector box;
- Routing of outlet pipes into the new collector box;
- Installation of a storm drain pipe connecting the collector box to an existing catch basin;
and
- Backfill and compaction of the horizontal drill pit.

2.0 Field Observation and Test Results

An as-built plan was prepared by ESR showing the approximate locations of the recently installed wells, discharge pipes, and collector box. The as-built plan also shows the surveyed locations of pre-existing inclinometers and piezometers. The new collector box was connected to a previously existing concrete catch basin using an 8-inch SDR-35 drain pipe. These features are shown on the attached Figure 1; the wells are shown on the figure as W-1 through W-6. A photo showing the locations of the well discharge pipes within the new collector box is attached as Figure 2. Appendix A includes copies of our field reports summarizing our observations during the construction of the dewatering wells and their associated discharge pipes. Appendix B includes laboratory and field compactions test results and copies of our field reports prepared during the backfilling of the horizontal drill pit and the placement of the collector box.

2.1 Dewatering Wells and Inclinometer Casings

Work for the drilling and installation of the six dewatering wells occurred between August 21 and September 11, 2012. The six dewatering wells were installed by PCDC under ESR's direction using a track-mounted IMT AF-18 drill rig equipped with 24-inch diameter flight auger and drill barrel. SHORE PAC polymer slurry was used during drilling of holes for Wells W-1, W-2, W-3, and W-4 to aid in stabilizing the shaft walls due to caving of native, fine-grained gray sands into the holes. No polymer slurry was used during drilling of holes for Wells W-5 and W-6 since nominal caving occurred in these holes. Well drilling cuttings were transported to the designated open space area shown on the plans; the cuttings were spread out, track-walked, and the final grade was sloped toward the surface swale located on the inboard side of the bench.

We observed blank and screened (0.032 inch slotted) 6-inch diameter PVC SDR 21 well casing pipe being installed in each of the well holes. Durham Geo Slope Indicator 2.75-inch diameter (70 mm) QC inclinometer casing was attached to the side of each of the well casings. During our observations, Caltrans Class 2 permeable material was installed in the annular space of the lower portion of the wells and inclinometer casings, and the annular space of the upper portion of the wells

and inclinometer casings was sealed with bentonite chips and 10 sack sand slurry. After the wells were constructed, SLURRY BUSTER was added by PCDC to the wells to break down remaining polymer slurry. After construction of the wells, the wells were purged numerous times by ESR using a pump system and compressed air equipment for the purpose of removing accumulated sediment and increasing flow rates.

Based on our observations, it is our opinion that the dewatering wells were constructed as summarized in the table below.

Summary of Observed Dewatering Well Construction					
Well Number	Total Well Casing Length (feet)	Blank Section (feet)	Screened Section (feet)	Bentonite and 10 sack Sand Slurry Section (thickness, in feet)	Caltrans Class 2 Permeable Material Section (thickness, in feet)
W-1	107	27	80	14	92
W-2	90	12	78	8	81
W-3	110	20	90	13	96
W-4	109	19	90	14	94
W-5	109	19	90	12	96
W-6	110	20	90	14	95

2.2 Horizontal Drain Outlet Pipes

Work for the drilling and installation of the six horizontal drain pipes occurred between September 17 and October 29, 2012. Prior to the drilling, ESR prepared a pit located at the pipe discharge points to be used by the drilling equipment. Six horizontal drain outlet pipes were installed by Cross Country using a Ditch Witch JT4020 horizontal directional drill rig with 4-inch diameter steel drill rods. The drill guiding system was provided by INROCK. Horizontal drain drilling cuttings were collected and disposed offsite. During our observations, 2-inch diameter PVC Schedule 80 drain

outlet pipes were installed in each of the drain holes. Native, fine-grained silty sands (gray in color with slight sulfur odor) initially plugged the outlet pipes for Wells W-1, W-2, W-3, and W-4. The sands were drilled and flushed out of the pipes over a period of about 1 to 2 weeks, both during and after the horizontal pipe drilling and installation.

Based on our observations, it is our opinion that the horizontal drain outlet pipes were constructed as summarized in the table below.

Summary of Horizontal Drain Outlet Pipes Construction		
Drain Number	Approximate Drain Pipe Length (feet)*	Approximate Depth in Well Where Outlet Pipe Intercepts Well (feet below ground surface)*
W#1	396	90
W#2	356	81
W#3	351	81
W#4	348	81
W#5	335	81
W#6	330	81

*Information provided by INROCK and Cross Country.

After the completion of the horizontal drain pipe installation, ESR continued flushing the fine-grained sands from the outlet pipes in an effort to increase water flow.

2.3 Collector Box and Horizontal Drill Pit

On November 9, 2012, we observed ESR routing the outlets of the six horizontal drain pipes to the new concrete collector box, and connecting the collector box to the existing concrete catch basin through a new 8-inch PVC pipe. A drain pipe that was installed during construction to collect slope seepage at the drill pit excavation was also permanently connected to the collector box. The locations of the pipes are shown in the attached Figure 2. The drain pipe installed to collect seepage is labeled as H#1 in Figure 2.

During the period from November 9 through November 15, 2012, we observed ESR backfilling the horizontal drilling pit. SFB specified that the fill materials to be used to backfill the horizontal drill pit be compacted to at least 90 percent relative compaction per ASTM D1557. SFB was onsite on a part-time basis to observe and test the compaction during the backfilling effort. It is our opinion that the backfill observed and tested by SFB was compacted to at least 90 percent relative compaction. Copies of our laboratory and field compaction test results are attached as Appendix B.

2.4 Water Levels Measured in Wells

Water levels in the six recently installed wells were measured by SFB prior to the installation of outlet pipes; at that time, the water levels varied between 11 and 27 feet below the Kelok Way pavement surface. On November 29, 2012 (after the installation of the horizontal outlet pipes), water levels within the six wells were measured at depths of about 22 to 86 feet below the pavement surface. A tabulated summary of the water level measurements is shown below.

Well Number	Approximate Water Level Depth Prior to Installing Outlet Pipe (feet below ground surface)	Approximate Water Level Depth on 11/29/12 (feet below ground surface)
W-1	11	22
W-2	20	37
W-3	21	26
W-4	21	26
W-5	24	83
W-6	27	86

3.0 Geotechnical Summary and Recommendations

On November 29, 2012, water levels were measured in each of the six wells. At that time, the water levels in Wells W-5 and W-6 were significantly lower when compared to the water levels prior to outlet pipe installation. Measured water levels in Wells W-1, W-2, W-3, and W-4 were also lower than levels prior to outlet pipe installation but did not decrease as much as the levels measured in W-

5 and W-6. On November 29, 2012, discharge from the drain pipes in the new collector box was also observed, with Drains W#5 and W#6 exhibiting a stream of water, Drain W#2 exhibiting a trickle of water, and the remaining drains showing dripping water. The cause of the lower flow rates is most likely related to the existence of the native fine sand in the area of the wells. As described previously, abundant native fine-grained, silty sand was encountered during the drilling of Wells W-1 through W-4 and their associated outlet pipes, but the fine sands were not encountered in significant quantities during the drilling of Wells W-5 and W-6 and their associated drain pipes. If these fine sands migrated into the Caltrans Class 2 permeable material surrounding the wells and/or the inlet of the drain pipes, the water flow from the wells to the drain pipes would be impeded. Water flows from the wells to the collector box can change over time as a result of several factors including changes in the subsurface conditions, ground water pressure, rainfall, and irrigation practices; therefore, water levels in the wells and flow rates in the drain pipes may increase or decrease over time.

We recommend regular maintenance of the recently installed drainage system include inspection and replacement of damaged well covers and caps, inspection of the collector box, and removal of debris from the collector box and associated storm drain pipe. If sediment accumulates in the wells, pumping of the sediment laden water can be performed in an effort to increase flow rates. We recommend the drainage system be made part of as-built plans in order to protect the system from potential construction related damage in the future.

Inclinometer casing was attached to each of the recently constructed wells for future inclinometer monitoring. The casing attached to the wells will likely experience some movement due to changes in water levels within the wells. These fluctuations should be accounted for during any future monitoring of the casing.

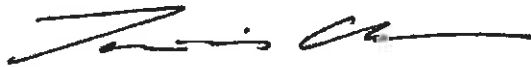
Monitoring of the existing piezometers and inclinometers in the areas of Kelok Way and the north facing slope located north of Kelok Way has occurred in the past. The approximate locations of many of the piezometers and inclinometers are shown on the attached Figure 1. We recommend the monitoring of the existing piezometers and inclinometers continue to occur, including monitoring the water levels in the Kelok Way wells and monitoring of the inclinometer casing attached to each well. After monitoring has occurred, we recommend geotechnical evaluations of the monitoring results be performed. We recommend several monitoring sessions be performed in order to evaluate noticeable trends in the monitoring data. It is unknown if the six recently installed Kelok Way dewatering wells and associated drainage system will have an impact on the general stability of the area unless the area is monitored and geotechnical evaluations are performed. It should not be assumed that the lowering of the ground water levels in the area of the six dewatering wells will reduce or stop future ground movements.

We have employed accepted geotechnical engineering and testing procedures and our professional opinions, conclusions, and recommendations are made in accordance with generally accepted geotechnical engineering principles and practices. We do not undertake the guarantee of the construction nor do we relieve the contractors of their primary responsibility to produce a completed project conforming to the project plans and specifications.

Should you have any questions or require additional information, please call our office.

Sincerely,

Stevens, Ferrone & Bailey
Engineering Company, Inc.



Taiming Chen, P.E., G.E.
Civil/Geotechnical Engineer



Kenneth C. Ferrone, P.E., G.E., C.E.G.
Civil/Geotechnical Engineer
Certified Engineering Geologist



TC/KCF

Copies: Addressee (1 by email)
Mr. Bill Gibson (ESR, 1 by email)
Mr. John Broghammer (Greve Clifford Wengel & Paras, 1 by email)

KEY

⊕ Approximate Locations of Inclinator Casings, Vibrating Wire Piezometers, Open Pipe Piezometers & Dewatering Wells



NOTE: Base Map Taken From As-Built Rough Grading Plan of Northeast Valley - Tracts 7260, 7261 & 7264 Prepared by UDI-Tetrad Consulting Engineers, Inc. and Dated Oct 1996, and Google Earth Image.

APPROXIMATE SCALE: 1" = 150'
0 150' 300'

DATE
January 2013
PROJECT NO.
555-2

Stevens
Serrone &
Bailey
Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
Tel 925.688.1001
Fax 925.688.1005
www.SFandB.com

SITE PLAN
REVISED KELOK WAY MONITORING LOCATION MAP
Clayton, California

FIGURE
1

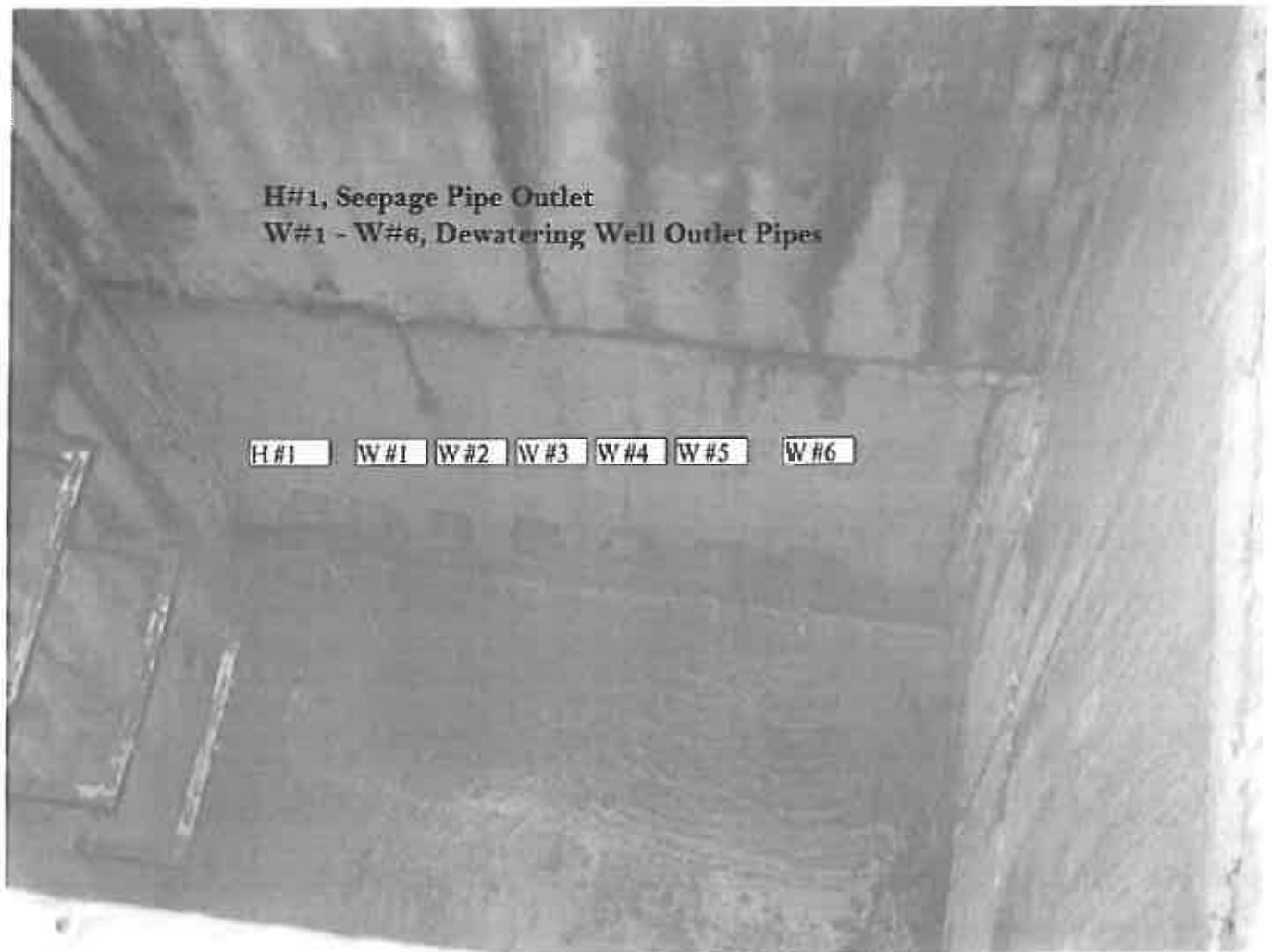


Figure 2, Photo of Collector Box Interior

APPENDIX A

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

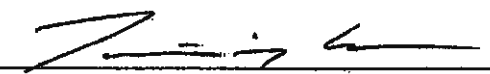
DATE	8/21/12 Tue		JOB NO.	555-1	
PROJECT	Kelok Way Dewatering Wells				
LOCATION	Clayton, CA				
CONTRACTOR	ESR		OWNER	OGHAD	
WEATHER	Clear		TEMP.	° at ° at	AM PM
PRESENT AT SITE					

THE FOLLOWING WAS NOTED:

Onsite to attend a pre-construction meeting held among OGHAD, ESR, and his subcontractors. Rick Angrisani of OGHAD/ City of Clayton Engineer, Bill Gibson & his crew of ESR, ~~Aaron~~ Aaron Sykes of Pacific Coast Drilling, Wayne Mills of Cross Country HDI, Ken Ferrone of SFB, and I were onsite. ESR and his subs are asked to provide their drilling plans for approval according to the project plans. The locations of the wells & drilling support water tank were discussed. Rick wants these locations to be as ^{little} ~~less~~ as impact of the adjacent residents. ESR is okay to shift around the well locations from the locations ^{shown} ~~on~~ on the project plans ~~in order~~ ^{not} to block neighbors' driveway if necessary. The designated well drilling cutting disposal area was identified in the field. Ken & Rick agree that the cuttings can be placed over the existing vegetation. The location of the drain collector box was identified and discussed. I asked Wayne Mills regarding his plan of ~~using~~ drilling. He said they will use probably 6" diameter ~~drill~~ tri-cone drill bit with steel casing. 2" PVC ^{drain} ~~water~~ pipes will be inserted ~~thru~~ through steel casing prior to retrieval of casing. I remind him that the PVC pipe will go into Caltrans class permeable materials that may get into the 2" pipes.

COPIES TO: _____

FIELD REPORT

SIGNATURE: 

PRINT NAME: Taining Chen



1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

THE FOLLOWING WAS NOTED:

DATE	8/24/12 Fri		JOB NO.	555-1	
PROJECT	Kelok Way Dewatering Wells				
LOCATION	Clayton, CA				
CONTRACTOR	ESR		OWNER	OGHAD	
WEATHER	Clear		TEMP.	° at	AM
			° at	PM	
PRESENT AT SITE					
Chris of ESR					

Onsite as requested by ESR to identify
inclinometer casing BGC-5H & piezometer CEG PZ-2. BGC 5H-1
is inside a steel casing by the existing trees. CEG PZ-2 was uncovered
underneath the existing dirt & concrete dumping. ESR staked these two
locations and used a total station to survey. I asked Chris how
accurate the aerial photo shown on his plan. He said ~~these~~ ^{the} aerial
photo & topo were provided to him and they basically overlay the plans.
But the inclinometer & piezometer locations were survey referring to
their temporary benchmarks on streets. They haven't found any City
monuments they can tie to. They will survey the dewatering well
locations after ^{well} ~~their~~ layouts.

COPIES TO: _____

FIELD REPORT

SIGNATURE: [Signature]

PRINT NAME: Taiming Chen



1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

THE FOLLOWING WAS NOTED:

DATE	8/27/12 Mon		JOB NO.	555-1	
PROJECT	Kelok Way Densitizing Wells				
LOCATION	Clayton, CA				
CONTRACTOR	ESR		OWNER	OAHAD	
WEATHER	Clear		TEMP.	° at	AM
				° at	PM
PRESENT AT SITE	Bill of ESR				
	Mark of ESR				

Onsite as requested to go over the proposed well locations on Kelok Way. The spacings of the three 25 ft spacing wells are righted up to about 21' to avoid being in the way of driveway. The other well locations are close to what shown on project plans. According to Bill, Pacific Coast Drilling will have equipment moving in today and start drilling tomorrow.

COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen



1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3 F2

THE FOLLOWING WAS NOTED:

Onsite to watch dewatering well drilling.

PCDC started to drill the first well located in front of 8002 Kelok Way.
IMT AF-18 that is mounted on a CAT metal track platform was used with 24" AC thickness at well #1 is 3".
diameter auger. The drilled cuttings started to show moisture at about 15'. Cuttings became wet at where groundwater was encountered at about 19'. Hole started to cave-in below gravel water level. Drilled cuttings were brought to dispose at the slope bench disposal area by a rubber track dump truck. PCDC started to use water with Shore Pac and trying to keep the hole open. The hole still caves between 19 to about 32'. PCDC switched to clean barrel to clean the hole and successful prevent to hole from further cave-in. They switched back to auger drilling at about 32'. I left the site when they are at about 45'. Hole is stable and okay with auger drilling.

DATE <u>8/28/12 Tue</u>	JOB NO. <u>555-1</u>
PROJECT <u>Kelok Way Dewatering Wells</u>	
LOCATION <u>Clayton, CA</u>	
CONTRACTOR <u>ESR</u>	OWNER <u>OGHAD</u>
WEATHER <u>Clear</u>	TEMP. <u>° at</u> <u>AM</u> <u>° at</u> <u>PM</u>
PRESENT AT SITE <u>Mike of ESR</u>	
<u>Justin of Pacific Coast Drilling</u>	
<u>Aaron Contractors</u>	

COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3 F2

THE FOLLOWING WAS NOTED:

DATE <u>8/29/12 Wed</u>	JOB NO. <u>555-1</u>
PROJECT <u>Kelok Way Dewatering Well</u>	
LOCATION <u>Clayton, CA</u>	
CONTRACTOR <u>ESR</u>	OWNER <u>OGHAD</u>
WEATHER <u>Clear</u>	TEMP. [°] at <u>AM</u> [°] at <u>PM</u>
PRESENT AT SITE <u>Mike of ESR</u>	
<u>Justin of PCDC</u>	

Onsite to observe drilling of dewatering well.

According to Mike, PCDC drilled the first well yesterday to about 50'
but the bottom 10' of hole has too much stuff and can't really
get them out. PCDC put in some class 2 perm and ^{2 bags sand slurry (8' x 8')} ~~and sand slurry~~ in the
hole trying to stabilize the wall and will have to drill out later. PCDC moved to
the well #2 to start another hole. I arrived at the site when they are at
about 62'. According to Justin, a 24" diameter steel casing was installed to a
depth of 25'. They started using polymer at about 35'. Groundwater was
initially encountered at about 15' to 16' similar to well #1. Due to the use of
casing, they have to use a smaller auger in order to fit inside the ^{diameter of} casing.
They switch to a smaller auger and dig barrel while advancing downward.
Below 60', cuttings started to indicate moist gray yellowish brown clays with sand
clasts and rock fragments. Dark gray to black clays at 69'. Stop drilling at about
70'. According to Justin, they used all the 8 yd³ of sand slurry yesterday and
the top of slurry ^{was at about 3' below ground surface} ~~was~~ in the hole. They will have to wait a couple days
before they redrill it.

COPIES TO: _____

FIELD REPORT

SIGNATURE: 

PRINT NAME: Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager

Ken Ferrone

Task Code

3F2

THE FOLLOWING WAS NOTED:

DATE	8/30/12 Thu	JOB NO.	5557
PROJECT	Kelok Way Dewatering Well		
LOCATION	Clayton, CA		
CONTRACTOR	ESR/PCDC	OWNER	OGHAD
WEATHER	Clear	TEMP.	° at AM ° at PM
PRESENT AT SITE			
Mike of ESR			
Matt of ESR			
Justin of PCDC			

Onsite to observe drilling of dewatering

Well #2. PCDC was at about 105' when I arrived. Mike showed me some

cuttings they collected that indicated pale grey and yellowish brown sands. The

cuttings at 110' indicated dark grey to black clays. After clearing the hole with

bucket barrel ^{to 110'} PCDC started installing 6" well casing and 2.75" ϕ

inclination casing. PCDC lost the bottom @ 22.5' of the

hole. I called Ken of SFB let him know the issue. Ken

is okay with that they cut the well casing but replace

the top 10' section with solid pipe since this well is

one of the 3 wells closely spaced. PCDC should try to install

110' full length in the other two wells. The construction of this well

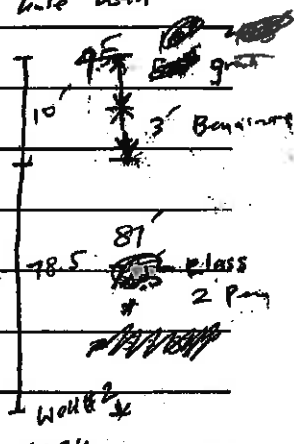
is shown to the right. 6" PVC SDR ²¹ ~~20~~ pipes were used for well casing.

Class 2 per were placed to 7.5' below ground. PCDC is going to drill Well #3

so they can remove the 25' casing from Well #2. They will continue to

drill Well #3 tomorrow. ~~As soon as Justin, after they pulled out the casing~~

~~the top of class 2 pipe was at about 10' below ground surface~~



COPIES TO:

FIELD REPORT

SIGNATURE:

[Signature]

PRINT NAME:

Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

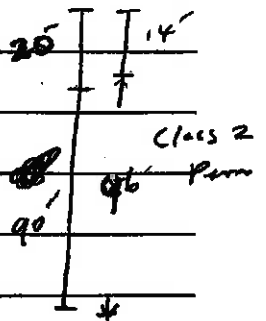
Task Code 3P2

THE FOLLOWING WAS NOTED:

DATE	8/31/12 Fri		JOB NO.	555-1
PROJECT	Kelok Way Dewatering Well			
LOCATION	Clayton, CA			
CONTRACTOR	ESR/PCDC		OWNER	OGHAD
WEATHER	Clear		TEMP.	° at AM ° at PM
PRESENT AT SITE	Mike of ESR			
	Justin of PCDC			

ON SITE to observe drilling of dewatering well.
PCDC was at about 110' ^{at well #3} when I arrived and started to switch to bucket barrel to clean the hole. According to Justin, they didn't encounter any fine gray sands in this hole. They started this hole this morning at 25' ^{where they started yesterday} and ~~se~~ added polymer at about 40'. He believed this hole is cleaner than well #2. According to Justin, they started to see dark gray to black ~~cuttings~~ at about 80'. The cutting at 110' indicated mottled yellow grayish brown clays. PCDC used the bucket barrel to clean the hole to 110' and started to install well casing right away. ^{well} The casing went in to about ~85' then became bumpy ~~PCDC~~ PCDC added ^{clean} water to the casing to counter weight bumpy. Class 2 Permeable was filled to about 14' below gnd.

Well #3



COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

DATE	9/4/12 Tue	JOB NO.	555-1
PROJECT	Kelok Way Dewatering Wells		
LOCATION	Clayton, CA		
CONTRACTOR	ESR / PCDC	OWNER	OGHAD
WEATHER	Clear	TEMP.	° at AM ° at PM
PRESENT AT SITE	Mike of ESR		
	Justin of PCDC		

THE FOLLOWING WAS NOTED:

Onsite to observe dewatering well drilling.

According to PCDC & ESR, well #4 encountered a 4" sewer lateral at about 8' deep. ESR have to fix it today and backfill with class 2 AB tomorrow. City of Clayton requires compaction test of the backfill. According to PCDC, the class 2 perme in well #3 settled to a depth of about 20' so they have to put in more class 2 perme to bring it to 15' below ground. PCDC was at well #5 about 67' below ground and the cuttings started to indicate dark gray to black silty clays. Cuttings from above are generally yellowish brown clays with some sandstone blocks. According to Justin, he noticed a circular casing at about 12' before they installed the stand casing. PCDC was able to drill without polymer, so cuttings are generally dry to damp but not wet. Water is dripping from sides of well, but PCDC is able to drill ahead of it. Cuttings indicated yellowish brown silty clays with caliche at 85'. A very dark gray to black clays with striated sided fragments were encountered at 99'. PCDC drilled the hole to 111' and started to install well casing & inclinometer casing together. They filled the hole with class 2 perme to about 114' below ground. PCDC also fill well #3 with more class 2 perme to a depth of about 14.5' below ground. About a foot of well casing & inclinometer casing were cut to below ground surface.

COPIES TO:

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager

Ken Ferrone

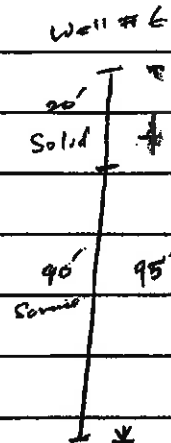
Task Code

3F2

DATE	9/5/12 Wed	JOB NO.	555-1
PROJECT	Kelok Way Denaturing Wells		
LOCATION	Clayton, CA		
CONTRACTOR	ESR / PCDC	OWNER	OGHAD
WEATHER	Clear	TEMP.	° at AM ° at PM
PRESENT AT SITE			
Mike of ESR			
Justin of PCDC			

THE FOLLOWING WAS NOTED:

on-site to observe drilling of denaturing well. PCDC had finished drilling of well #6 ^{to 110'} when I arrived. According to PCDC, this hole is dry and no apparent groundwater was encountered. They installed the 25' steel casing and drilled without polymer. Cuttings are generally dry to damp. ESR also finished repair of the broken sewer lateral in front of 8004 Kelok Way. The 3'x6' repair excavation of about 8' was backfilled with recycled Class 2 AG from county quarry and compacted to at least 95% Relative compaction. Jon of SFB observed the backfilling and tested the compaction. Due to the protests of the sewer lateral, well #4 will have to move. PCDC installed well casing and inclinometer casing in well #6 and fill the hole with Class 2 perm. PCDC pulled up the steel casing and will drill well #4 at a new location tomorrow morning.



COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen



1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

THE FOLLOWING WAS NOTED:

DATE <u>9/6/12 Thu</u>	JOB NO. <u>555-1</u>
PROJECT <u>Kelok Way Dewatering Wells</u>	
LOCATION <u>Clayton, CA</u>	
CONTRACTOR <u>ESR/PCDC</u>	OWNER <u>OGHAD</u>
WEATHER <u>Clear</u>	TEMP. ° at AM ° at PM
PRESENT AT SITE <u>Mike of ESR</u>	
<u>Justin of PCDC</u>	

Onsite to observe dewatering well drilling. PCDC started drilling of well #4 at a new location. They were at about 10' when I arrived. Cuttings indicated ^{dry to damp} yellowish brown silty clay. Groundwater was initially encountered at about 14'. Steel casing was ~~was~~ installed to a depth of 25'. Cuttings were generally damp below 25'. Below about 45', ^{silty clays} ~~imbedded~~ gray to ~~very~~ dark gray ^{silty clays} encountered with yellowish brown silty clay. An unknown object was encountered 45' to 50' that pushed casing to one side and resulted to a tilt shaft from 45' to 56'. PCDC had to haul the drilling to bring in a core barrel to see if they can core ~~off~~ the unknown object. PCDC resumed drilling and 2pm with core barrel and determined that there is a big void ~~at~~ below 40' and the bottom of hole is about 48'. Groundwater is measured at about 41' below gnd. PCDC decided to abandon this hole and try to move the location toward center of street between sewer main & water main. Brendwood Reddymix ^{brought} ~~bring~~ a load of 9 yd³ ^{2 sack} sand slurry to abandon the well #4. PCDC used 7.5 yd³ of slurry and fill all the way up to the ground.

COPIES TO: _____

FIELD REPORT

SIGNATURE:

PRINT NAME: Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1800 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

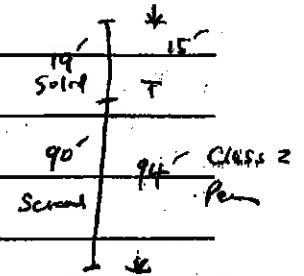
Task Code 3F2

DATE <u>9/7/12 Fri</u>		JOB NO. <u>555-1</u>	
PROJECT <u>Kelok Vay Dewatering Wells</u>			
LOCATION <u>Clayton, CA</u>			
CONTRACTOR <u>ESR/PCDC</u>		OWNER <u>OGHAD</u>	
WEATHER <u>Clear</u>		TEMP. ° at AM ° at PM	
PRESENT AT SITE <u>Mike of ESR</u>			
<u>Justin of PCDC</u>			

THE FOLLOWING WAS NOTED:

Onsite to observe drilling of dewatering well

#4. PCDC started a new location toward the center of street. They are at about 20' when I arrived. Steel casing was installed to 25'. Cuttings above 30' are generally dry to damp and are damp to moist below 30' to 35'. Cuttings generally indicated yellowish brown silty clays with sands and gravels above about 50'. Below 50', moist green gray ^{colluvial} ~~clays~~ and some tree roots were also encountered. Dry to damp, crushed dark gray siltstone fragments were ^{also} encountered below 65'. Some caliche at 75'. Cuttings changed ~~from~~ back to yellowish brown with white silty clays. Caliche at 85' and were damp to moist. The hole started to cave in below 90'. PCDC poured polymer in hole to stabilize it. Hole was at about 90' before they switched to drill barrel to clean the hole. PCDC switched between auger & drill barrel. Dark gray silty clays with gray sandy siltstone were encountered at 103'. PCDC successfully drilled to about 111'. Well & inclination casings were installed to 109'. PCDC will move on to well #1 on Monday.



COPIES TO: _____

Well #4
FIELD REPORT

SIGNATURE: [Signature]

PRINT NAME: Taiming Chen



1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

THE FOLLOWING WAS NOTED:

DATE <u>9/10/12 Mon</u>	JOB NO. <u>555-1</u>
PROJECT <u>Kelok Way Dewatering Wells</u>	
LOCATION <u>Clayton</u>	
CONTRACTOR <u>ESR/PCDC</u>	OWNER <u>OGHAD</u>
WEATHER <u>Clear</u>	TEMP. <u>° at AM</u> <u>° at PM</u>
PRESENT AT SITE <u>Mike of ESR</u> <u>Justin of PCDC</u>	

Onsite to observe the drilling of dewatering well #1. According to Mike of ESR, PCDC had a hard time drilling through the 50 feet of sand slurry they poured previously trying to stabilize the drilled hole. PCDC was at about 87 feet when I arrived. The bottom 18 feet of hole is muddy. The cuttings indicated bluish grey silty clays interbedded with silty sand lenses. I mentioned to Mike there is a ^{green} valve box that houses possible subdrain clean out which should ~~be~~ not be buried. Mike agreed the box and will keep it as is. PCDC called it a day when they reached 92' switching between auger and drill barrel. They will resume the drilling tomorrow. I also checked out the ^{proposed horizontal} drill location at the end of Golden Eagle Court and staked out the possible ^{previous} subdrain location.

COPIES TO: _____

FIELD REPORT

SIGNATURE: Tim

PRINT NAME: Taiming Chen



1800 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone
Task Code 3P2

DATE <u>9/11/12 Tue</u>		JOB NO. <u>555-1</u>	
PROJECT <u>Kelok Way Dewatering Wells</u>			
LOCATION <u>Clayton, CA</u>			
CONTRACTOR <u>ESR/PCDC</u>		OWNER <u>OGHAD</u>	
WEATHER <u>Clear</u>		TEMP. <u>81</u> at <u>AM</u> <u>81</u> at <u>PM</u>	
PRESENT AT SITE <u>Mike of ESR</u> <u>Justin of PCDC</u>			

THE FOLLOWING WAS NOTED:

Onsite to observe drilling of dewatering well

#1. PCDC was at about 112' when I arrived. They are using drill barrel to clean the hole. PCDC used 30' solid and 80' screen pipes to make up the 110' long well casing. PCDC can only install the casing down on 105'. It appeared from 95' to 105' of the hole was muddy. The casing settled 2 more feet to 109'. PCDC installed Class 2 perm to about 15' below ground and pulled out their drill casing. 6 bags of bentonite were poured into the hole.

The spaces at top of hole above bentonite are as follows:

		Total length	Blank	Screen
Well #1	13.5'	109'	27'	80'
Well #2	7'	90'	12'	78'
Well #3	12'	110'	20'	90'
Well #4	14'	109'	19'	90'
Well #5	12.5'	109'	19'	90'
Well #6	12.5'	110'	20'	90'

6.5 yd³ of 10 sack sand slurry was poured to top of the 6 well holes. I told Mike he has to make sure each well casing & inclinometer casing are operable before he put the well covers.

COPIES TO: _____

FIELD REPORT

SIGNATURE: [Signature]

PRINT NAME: Taiming Chen

ANTIOCH BUILDING MATERIALS CO.

A 397969

Pittsburg Plant
1375 California Ave.
Concrete and Asphalt
Phone (925) 432-3828

Remit to: P.O. BOX 670
ANTIOCH, CALIFORNIA 94509
PHONE: (925) 432-0171

Brentwood Plant
2170 Elkins Way
Brentwood, CA
Phone (925) 834-3541

DELIVERY LIABILITY DISCLOSURE

The purchaser agrees to provide safe roadways for delivery. This company will not assume liability for damage to sidewalks, driveways, tools, equipment or any other property off of public roadways. Our driver will follow customer direction after leaving public roadways. All agents of customer will be responsible for monitoring their equipment. This company assumes no liability for agent's tools or equipment including but not limited to pumping equipment.

PRODUCT LIABILITY DISCLOSURE

We do not guarantee or assume responsibility for admixtures added by others to the concrete. Also, due to variables involved in placing, finishing and curing concrete, we cannot be responsible for surface defects or for color variation when color is added to the mixture.

WEIGHMASTER CERTIFICATE

THIS IS TO CERTIFY that the following described commodity was weighed, measured, or counted by a weighmaster, whose signature is on this certificate, who is a recognized authority of accuracy as prescribed by Chapter 7 (commencing with Section 12700) of Division 5 of the California Business and Professions Code, administered by the Division of Measurement Standards of the California Department of Food and Agriculture.

TIME LEFT PLANT	TIME ARRIVED AT SITE	TIME DONE POURING	TIME LEFT SITE	TIME RETURNED TO PLANT
2:30	3:11	3:56		

PLANT NO.	DATE	TIME OUT	TICKET NO.
PITTSBURG	09/11/12	14:20	1056823

JOB NUMBER	CONTRACT NO.	PROJECT NUMBER
PD0103		

Customer Id: P001
Pacific Coast Drilling/Company Inc
264 Bellevue Avenue

Santa Rosa CA 95407

TRUCK NO	Order#	Load#	RUNNING TRUCK TOTAL	RUNNING PRODUCT TOTAL	RUNNING JOB TOTAL	SLUMP	PURCHASE ORDER NUMBER
91	6	1	Ticket	Shipped	Ordered	6.00	12-089
DRIVER	Huston, John		9.50	9.50	9.50	WEATHER CONDITIONS	155829
QUANTITY	UM	PRODUCT NUMBER	DESCRIPTION			UNIT PRICE	TOTAL
9.50	YD	100001006S	10 sack sand slurry				
9.50	EA	0713	Slowset 90				
1.00	EA	0909	Environmental Fee				
3 yd ³ left			Shortload Charge				
			Saturday Charge				
			8008 Kelok Way			SUBTOTAL	
			Clayton CA 94517			MISC. CHARGES	
						TAX	
						TOTAL	
						AMOUNT PAID	
						ORDER TOTAL	

GALLONS OF WATER ADDED

ANY WATER ADDED ON THE JOB WILL BE AT THE PURCHASER'S DIRECTION AND RISK.

X
CERTIFIED WEIGHMASTER

TERMS AND DISCLOSURE STATEMENT

Seller reserves and may exercise its statutory rights as provided for in the Mechanics Lien and Bond statutes. If payment is not received within terms of net 25th unpaid balance will be subject to Finance Charge computed by "periodic rate" or 1 1/2% per month. Customer agrees to pay a reasonable attorney's fee and all other costs of collection.

I hereby state that I am an authorized agent of purchaser and as such herewith assume full responsibility for payment according to stated terms in our credit agreement on the front of this weigh tag and our company credit agreement on file.

Customer agrees to pay in full on all products received with no deductions for any reason.

X
DELIVERY INSPECTED AND APPROVED BY

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1800 Willow Pass Court
Concord, CA 94520
TEL 925.888.1001
FAX 925.888.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

THE FOLLOWING WAS NOTED:

DATE <u>9/14/12 Fri</u>	JOB NO. <u>555-1</u>
PROJECT <u>Kelok Way Dewatering Wells</u>	
LOCATION <u>Clayton, CA</u>	
CONTRACTOR <u>ESR</u>	OWNER <u>OGHAD</u>
WEATHER <u>Clear</u>	TEMP. [°] at <u>AM</u> [°] at <u>PM</u>
PRESENT AT SITE <u>Mike of ESR</u>	

Onsite to observe the drill pad ESR dug for horizontal drill rig at the end of Golden Eagle Court. The pit is at the base of the open space ~~slope~~ slope and covers a section of concrete walkway & a portion of park lawn. Construction metal fencing is up around the entire pit. The pit is about 25' by 40' to 50' and about 12' to 18' cut into open space slope and about 6' at lawn elevation. Water seeping is observed on the backup to the east at a depth of about 5' below slope surface. The excavated spoils are temporarily stockpiled on the slope to the east of the pit. ESR is putting plastic sheets to cover the stockpiles. Mike is in process of leveling the bottom of pit. According to Mike, he just checked the groundwater level in the well casings of the dewatering wells. Groundwater is at about 9' in well #1. He ~~can't~~ couldn't get the top cap of well #2. Groundwater is at about 20' in wells #3 & #4 and at about 25' to 30' in wells #5 & #6. He knew the current plan for ESR is to ~~to pump~~ ^{the wells} pump ~~the wells~~ to lower groundwater using horizontal drilling. He said the horizontal driller estimates it will take about 4 to 5 weeks to finish their work. ESR hasn't installed the well covers yet.

COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen



1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

DATE	9/17/12 Mon	JOB NO.	555-1
PROJECT	Kel-k Way Dewatering Wells		
LOCATION	OGHAD Clayton, CA		
CONTRACTOR	ESR	OWNER	OGHAD
WEATHER	Clear	TEMP.	° at AM ° at PM
PRESENT AT SITE Mike of ESR			

THE FOLLOWING WAS NOTED:

Onsite to observe horizontal drilling of
drain. Cross Country was not there. According to Mike, they will
probably start drilling on Wednesday if not later. Mike is working
to repair a broken irrigation pipe that lead to flooding of the drill
pad. He will cut the upper portion of the slope further back before
the start of drilling. He also asked me for the as-built depth
of the wells so he can pass on to drillers.

COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen



1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone
Task Code 3F2

THE FOLLOWING WAS NOTED:

DATE	9/19/12 Wed		JOB NO.	555-1
PROJECT	Kelok Way Dewatering Wells			
LOCATION	Clayton, CA			
CONTRACTOR	ESR / Cross Country		OWNER	DCHAD
WEATHER	Clear		TEMP.	° at AM ° at PM
PRESENT AT SITE				
Mike of ESR				
Morgan of ESR				
Cross Country HOI				

Onsite to observe the drilling of horizontal drains. Cross Country ~~was~~ was drilling for the Well #1 at a distance of about 50' when I arrived. They used Ditch Witch JT4020 horizontal directional drill ~~rig~~ rig with 4" diameter ^{steel} drill rods. Pure Gold clean Drill drilling fluid powder was used. Guide wire was insert through the drill rods. ESR also set well covers on the 6 wells on Kelok Way. ~~Ready~~ Ready mix concrete was delivered to the site to set the covers. ESR will patch the street with AC. ~~I~~ According to Morgan & Mike, Cross Country is now aiming for flat, but they can adjust their angle if need to. The drilling will intersect the wells at about 85' to 90'. I told them for well #2, they may have to aim it about 80' since the well is only about 90' and the bottom of well may be dirty. I left the site when Cross Country was at about 120'. The guiding system used by Cross Country ~~is~~ is from Vector Magnetics. I checked water level in the well casings as below.

Well #1 at 10.66', Well #2 at 29.28', Well #3 at 21.07', Well #4.5 at 23.97'. The low level in well #2 is due to ESR's pumping with a Submerge pump. According to Mike he pumped the well to dry in 13 and half minutes with about 80' of pipes in well. I inserted my meter in well and it appear from COPIES TO: about 80' to below, the well is muddy.

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

THE FOLLOWING WAS NOTED:

Onsite to observe drilling of ^{horizontal} drain #1.

I arrived at the site while Cross Country was receiving drill rods and guiding probe at drill bit. ESR was pumping water at well #1. Water level was at about 10' before pumping. While the pump was off, I measured the water level replenish from 61' to 51' in about 7 min (a rate of about 1.5' per minute). Logan of Inrock was at the site, who is sub to Cross Country to provide ~~for~~ guiding system to the drilling. According to Logan, they are able to tell when drill bit into the permeable gravel at a distance about the same calculated by hrs system. Once they tap into it, water started to come out of the hole, so they ~~think~~ thought they are right on the target. The hole is into the well at a depth of about 90' and is about 394 to 395 feet long. Logan being the end is about 1' right of the well casing at the ~~top~~ gravel surface below Kelok Way road grade. The guide system, ParaTrack 2, they are using only need to have a wire on the gravel to set up a grid and this is ^{be} no need to ^{be} right above the path they are drilling. The system is able to calculate the probe position itself. ESR also patched the AC cur on Kel-K Way. Cross Country used a 2" PVC end cap to make a screen with 1/8" & 1/4" diameter holes. The screen was tested with 5 gallon bucket of water and found to be able to drill empty in about a ^{minute} ~~few minutes~~.

COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen

DATE 9/21/12 Fri	JOB NO. 555-1	
PROJECT Kelok Way Dewatering Wells		
LOCATION Clayton, CA		
CONTRACTOR ESR/Cross Country	OWNER OGHAD	
WEATHER clear	TEMP.	° at AM ° at PM
PRESENT AT SITE Mike of ESR		
Alan Alan of Cross Country		
Logan of Inrock		

P-1/2



1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone
Task Code 3F2

THE FOLLOWING WAS NOTED:

DATE <u>9/21/12 Fri</u>	JOB NO. <u>555-1</u>
PROJECT <u>Kelok Way Rewatering Wells</u>	
LOCATION <u>Clayton, CA</u>	
CONTRACTOR <u>ESR/Cross Country</u>	OWNER <u>DGHAD</u>
WEATHER <u>Clear</u>	TEMP. ° at AM ° at PM
PRESENT AT SITE <u>Ken of SFB</u>	

I went to checked up the well #1 again with Ken of SFB. The water was at about 65' 20 minutes after ESR turned off the pump. According to Mike, the pump is at about 105' below ground. NM Eagle 2" sch 80 PVC were used for drain pipes. Cross Country retrieved the guiding probe and reloaded the steel rods. Water was coming out of the steel casing when the steel casings reached the well. The flow rate was measured to be about 5 gallon per minute. Noises can be heard at the well location on Kelok Way and appeared to be water draining out of well. Cross Country tried to install 2" PVC pipe through the steel drill rods, but they couldn't get the last about 50' pipes in. The pipes ended up got broken at a connection about 230' from the drill pit. Cross Country lost about 120' of pipe in the steel rods. They decided to come back on Monday to redo it again so they can get the lost pipes out. ESR added an about 5 gallon water dissolved dish soap to the well after they pumped it down to 95' to confirm if the drain bore is taped into the well. According to Mike, the pump is lowered to a depth of about 105'.

COPIES TO: _____

FIELD REPORT

SIGNATURE: [Signature]

PRINT NAME: Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

THE FOLLOWING WAS NOTED:

DATE 9/24/12 Mon	JOB NO. 555-1	
PROJECT Kelok Way Dewatering Wells		
LOCATION Clayton, CA		
CONTRACTOR ESR/Cross Country	OWNER OCHAD	
WEATHER Clear	TEMP.	° at AM ° at PM
PRESENT AT SITE Mike of ESR		
Alan of Cross Country		
Logan of Inrock		

Onsite to observe installation of 2" PVC drain pipes. Cross Country had to remove all the drill rods/casings in order to recover the lost pipes. After pulling out all the rods they found out sands had gotten into the last about 50' section of rods that caused partial clog of the interior of rods. So the PVC pipes couldn't get through completely. I also checked at Well #1 and Water was at about 34.5'. After the well was pumped dry to about 93' for about 11 min, which is about 5 ft per min. The water ~~rose~~ up to 72' after 45 min, which is about 0.5 ft per min. The pump equipments are from East Bay Pump & Equipment Co. (510) 532-1800 in Oakland. Cross Country cleaned the hole with water through drill rods and started to insert PVC drain pipes again. They used garden hose to fill the PVC pipes so they can flush the drill rods to ^{open} ~~unblock~~ up any clog while advancing the PVC pipes. I noticed sand piping had occurred at sidewalk of 8002 Kelok & ~~driveway~~ driveway of 8001 ~~Kelok~~ Kelok through expansion joints whenever Cross Country was pumping water through drill rods. This probably was due to ~~water~~ pressurized water piping through the well hole & Pclass 2 perme then up into street base rock layer. Cross Country still had hard time at a distance about 15' from

COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager

Ken Ferrone

Task Code

3 F2

THE FOLLOWING WAS NOTED:

center of well and broke the pipes
at about 40' from drill pit. They are going to retrieve the pvc pipes.
They now are thinking to leave the steel drill rods/casings in the hole so
they can deal with the pvc pipe installation later; therefore they won't
waste time on pipe installation and may be able to come up a better
solution along the way.

DATE	9/24/12 Mon	JOB NO.	555-1
PROJECT	Kelok Way Dewatering Wells		
LOCATION	Clayton, CA		
CONTRACTOR	ESR/Cross Country	OWNER	OGHAD
WEATHER	Clear	TEMP.	° at AM ° at PM
PRESENT AT SITE	Mike, Bill of ESR		
	Alan, Wayne of Cross Country		
	Logan of InRock		

COPIES TO:

FIELD REPORT

SIGNATURE:

Taiming Chen

PRINT NAME:

Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1800 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager

Ken Ferrone

Task Code

3F2

THE FOLLOWING WAS NOTED:

Onsite to observe drilling of drain pipe hole.
Cross County was at about 200' when I arrived. According to Logan
of Inrock, he is aiming flat at about 90' feet below top of Well
#2. I told him, since the well is about 88' to 90' deep, they may
have a risk to not hitting the well. Logan said he can aim a little
bit higher so the pipe will tap into well at about 80' to 82'. I
told him that would be better to do it that way. I also checked
water level in the wells #1, #2 & #3 and they are respectively 39.4',
44.3' & 22.6'. According to Mike the only well he pumped today was
well #2 and only took him about 10 min to pump it dry. I also checked
with Mike for the previous two days of work they did. According to
him, Cross County had tried to use 3/4" pre pipes with water but failed
to clean out the steel casing of hole #1. Yesterday a roofer was called
to the site and also failed to clean the casing with snake. Cross
County's current plan is to finish as many as holes they can with
their available rods/castings.

COPIES TO: _____

FIELD REPORT

SIGNATURE: _____

Taiming Chen

PRINT NAME: _____

Taiming Chen

DATE <u>9/27/12 Thu</u>		JOB NO. <u>555-1</u>	
PROJECT <u>Kelok Way Decontam Wells</u>			
LOCATION <u>Clayton, CA</u>			
CONTRACTOR <u>ESR/Cross County</u>		OWNER <u>OGHAD</u>	
WEATHER <u>Clear</u>		TEMP. ° at AM ° at PM	
PRESENT AT SITE <u>Mike of ESR</u>			
<u>Alan of Cross County</u>			
<u>Logan of Inrock</u>			

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3 F2

THE FOLLOWING WAS NOTED:

Onsite to observe drilling of horizontal drain
for dewatering wells. According to Mike, Cross Country finished
drain #2 for on Friday. Cross Country is drilling for drain #3 and is
at a distance of about 296' when I arrived. According to Logan, drain
#2 reached the well #2 at a depth of about 81' and total distance
is about 361'. According to Alan, he was able to tell when he was
entering the well due to the water started to flow out of drain hole. Water
is trickling out of drain hole from I can see. Alan said they have
a rubber plug in hole to prevent losing materials in the hole. I also checked
water level in well #2 is 49.3' and well #3 is 23.0'. Mike said
he just jumped #2 before he moved his pump to well #3. Drain
#2 is 361', Drain #3 will be about 350'. According to Logan,
they used a drill angle of about 1" so will tape into well #3
about a depth of about 81' or so.

DATE	10/1/12 Mon		JOB NO.	555-1
PROJECT	Kelo Way Dewatering Wells			
LOCATION	Clayton, CA			
CONTRACTOR	ESR / Cross Country		OWNER	OGHAD
WEATHER	Clear		TEMP.	° at AM ° at PM
PRESENT AT SITE				
Mike of ESR				
Alan of Cross Country				
Logan of Inrock				

COPIES TO: _____

FIELD REPORT

SIGNATURE: [Signature]

PRINT NAME: Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3 F2

THE FOLLOWING WAS NOTED:

DATE <u>10/3/12 Wed</u>		JOB NO. <u>555-1</u>	
PROJECT <u>Kelok Way Denatary Well</u>			
LOCATION <u>Clayton, CA</u>			
CONTRACTOR <u>ESR / Cross County</u>		OWNER <u>OGHAD</u>	
WEATHER <u>Clear</u>		TEMP. [°] at <u>AM</u> [°] at <u>PM</u>	
PRESENT AT SITE <u>Mike of ESR</u>			
<u>Alan of Cross County</u>			
<u>Logan of In Rock</u>			

Onsite to observe drilling of drain pipe. Cross County is drilling drain #4 and is at a distance of ^{about} 260 ft. According to Logan, this hole will be ending up at about 350' and into the well at about 80 to 81' ~~for~~ deep with about 1° slope drain. Cross County finished drain #3 yesterday. ^{The hole} ~~was~~ ^{was} about 350' and into the well at about 80' to 81'. Logan said they were able to feel when drill into the well and saw water flowing out of the hole. Water ^{was} ~~trickling~~ out of drain hole #3 while I ^{am} ~~was~~ at the site. Cross County planned to finish all the holes before they start to install PVC pipes. I checked all the wells on Kelok Way and water level in well are:

- #1 23.19'
- #2 30.59'
- #3 26.40' → ESR pumped the well prior to pulling up the pump
- #4 56.18' → ESR had pumped the well dry 2 hr before
- #5 25.11'
- #6 27.46'
- MW#1 20.96' (CEG's well)

COPIES TO: _____

FIELD REPORT

SIGNATURE: [Signature]

PRINT NAME: Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone
Task Code 3F2

DATE	10/8/12 Mon		JOB NO.	555-1
PROJECT	Kelok Way Dewatering Wells			
LOCATION	Clayton, CA			
CONTRACTOR	ESR / Cross County		OWNER	OGAMP
WEATHER	Clear		TEMP.	° at AM ° at PM
PRESENT AT SITE				
Mike of ESR				
Alan of Cross County				
Logan of Inrock				

THE FOLLOWING WAS NOTED:

Onsite to observe drilling of well drain pipe. Inrock & Cross County were ~~surveying~~ surveying for the entry of drain pipe #6. According to Mike of ESR, Cross County had finished installation of PVC in drain #4 last week. Alan said the pipes went in okay without much of resistance. It doesn't appear the pipe drain much of water out. Alan said he noticed the water flow was greater when he initially drill into well #4 with steel drill rod. Cross County also finished the drilling of drain pipe #5. Mike said they were about 175' at end of last Friday and finished the drilling of on Saturday when he was not there. They tried to insert PVC this morning but pipes only went in about 250' and can't get to end of the hole. They got the PVC pipes out and found out gravels (which are similar to Chass perm) were inside steel drill rods. They gave up on installing PVC pipes on drain #5 and switched to start drilling of drain #6. I went up to Kelok Way to check ground water levels in wells. Well #1 at 23.14'; well #2 at 30.50', well #3 at 24.70'; well #4 at 24.68'; well #5 at 24.75' (which ESR had pumped) and well #6 at 28.01'.

COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

THE FOLLOWING WAS NOTED:

I also asked Logan for the as-built
drain ~~draw~~ hole ^{lengths} ~~draw~~ & depths.

	lengths	depths
Drain #1	396'	90'
#2	356'	81'
#3	351'	81'
#4	348'	80 to 82'
#5	335'	80 to 82'

Logan said he has a same plan for Drain #6, which will end up
with longer and depth similar to Drain #5.

#6	330'	long per Plan 10/29/12

COPIES TO: _____

FIELD REPORT

SIGNATURE: [Signature]

PRINT NAME: Taiming Chen

DATE <u>10/8/12</u>	JOB NO. <u>555-1</u>
PROJECT <u>Kelok Way Penetrating Wells</u>	
LOCATION <u>Clayton, CA</u>	
CONTRACTOR <u>ESR/Cross Country</u>	OWNER <u>OGHAD</u>
WEATHER <u>Clear</u>	TEMP. [°] at <u> </u> AM [°] at <u> </u> PM
PRESENT AT SITE <u> </u>	

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager

Ken Ferrone

Task Code

3F2

THE FOLLOWING WAS NOTED:

DATE 10/11/12 THU	JOB NO. 555-1
PROJECT Kelok Way Dewatering Wells	
LOCATION Clayton, CA	
CONTRACTOR ESR / Cross Country	OWNER OGH A O
WEATHER Cloudy	TEMP. ° at AM PM ° at
PRESENT AT SITE Mike of ESR	
Bill of ESR	

ON SITE to observe installation of drain pipes.

Cross Country had finished all the drilling & is trying to install 2" & PVC drain pipes. According to Mike, Ken is giving okay to them to install pipes without end screen that is believed to clog up and impede flow. Mike use a water tank truck to supply fresh water to Well #6 on Kelok Way try to clean out any silts in steel drill rods in drain hole #6. Water appeared to drain out of the well quite fast as steady good amount of water is reported flowing out of steel drill rods. Mike said he had put 1,500 gallons of water in well #6 and it is draining fine. I used my inclinometer probe to read the casing in well #4 and processed the reading in office. I also checked water levels in well #4 that is 24.95' (Mike said he pumped the well earlier) and in well #6 that is 33.7' then dropped to 35.6 about 5 min later (about 2' drop for 5 min). It appeared the water in well #6 is still dropping. I also checked outlet of steel rod at drain #6 and there is steady flow coming out of rods.

COPIES TO: _____

FIELD REPORT

SIGNATURE: _____

PRINT NAME: _____

Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

DATE <u>10/16/12 Tue</u>	JOB NO. <u>555-1</u>
PROJECT <u>Kelok Way Dewatering Wells</u>	
LOCATION <u>Clayton, CA</u>	
CONTRACTOR <u>ESR / Cross Country</u>	OWNER <u>OGHAD</u>
WEATHER <u>Clear</u>	TEMP. <u>° at</u> <u>AM</u> <u>° at</u> <u>PM</u>
PRESENT AT SITE <u>Mike of ESR</u>	
<u>Morgan of ESR</u>	
<u>Alan of Cross Country</u>	

THE FOLLOWING WAS NOTED:

ONSITE to take inclinometer reading of
W-1, W-2, W-3, W-5 & W-6. Reading of W-4 was performed
previously on 10/11/12. I also checked groundwater table in wells
as below: W-1 at 23.08'; W-2 at 30.38'; W-3 at 23.85'; W-4 at
23.98'; W-5 at 15.9' (45 min after ESR pumped); W-6 at 85.9' (PVC
drain had been successfully installed to this well). ESR was using compression
to induce compress air to bottom of well #5 with pump to clean it
up. According to Mike, their previous plan of using smaller rig to
clean out the steel drill rod failed so now they stick with the same
plan they used for Well #6, which is inducing a large amount of water
to the well and letting it drain to the bottom and clean the inside
of drill rods. Mike said that when they pulled out the rods of
drain #6, they found ^{out about} the end 50' of the rods were clogged up by
sands & gruels. Mike started to pour water into well #5 from the
water tank truck once Cross Country reloaded the drain hole #5 with
clean drill rods. I went down to the drill pad and saw a pretty
good amount of dirty water was draining out of drill rods. I checked
the water table in well #5 that indicate dropping ^{from top} 29' for about 15 min.

COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen

TC
10/14/12 TAC

W-5

Water
75.9'

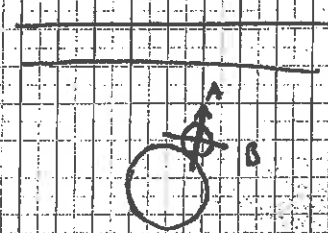
2000 lbs. water
over
cbr pump

Start
Curve

W-5



W-1
Water
23.08



W-6
Water
85.7'

Curve

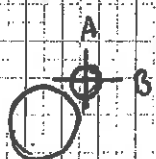


W-4
Water
23.98

W-3
Water
23.85



W-2
30.38



Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager

Ken Ferrone

Task Code

3F2

THE FOLLOWING WAS NOTED:

DATE 10/23/12 Tue	JOB NO. 555-1
PROJECT Kelok Way Dewatering Wells	
LOCATION Clayton, CA	
CONTRACTOR ESR / Cross Country	OWNER O&HAD
WEATHER Cloudy	TEMP. ° at AM ° at PM
PRESENT AT SITE None	

Onsite to check out the progress of
drain pipe installations. ESR & Cross Country were not on site
today. I checked ~~at~~ groundwater level in all wells except for
well #3 that was blocked by a bobcat. Water level as below.

Well #1 23.5'

Well #2 32.2'

Well #4 23.9'

Well #5 83.2'

Well #6 85.7'

MW-1 (CAG's well)

I also went down to outlet location at Golden Eagle Ct. 4
PVC drain pipes were in the holes, #3, #4, #5 & #6. Drains #5 & #6
had water trickling out. Only a little water came out of #4. It
appeared very little to no water from #3. Cross Country appeared to working
on Drain #2 and about to install PVC pipes as pipes were placed
on the street. To date, it appeared Drains #5 & #6 were working.

COPIES TO:

FIELD REPORT

SIGNATURE:



PRINT NAME:

Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

THE FOLLOWING WAS NOTED:

DATE <u>10/29/12 Mon</u>		JOB NO. <u>555-1</u>	
PROJECT <u>Kelok Way Denaturing Wells</u>			
LOCATION <u>Clayton, CA</u>			
CONTRACTOR <u>ESR / Cross Country</u>		OWNER <u>OGHAD</u>	
WEATHER <u>Clear</u>		TEMP. [°] at [°] at AM PM:	
PRESENT AT SITE <u>Mike of ESR & Morgan of ESR</u> <u>Alan & Wayne of Cross Country</u> <u>Ken of SFB</u>			

ONSITE to check out the progress of the work with Ken. I measured ground water on the wells as follow.

#1	23.4'	Cross Country is pulling out of drilling rods in drains
#2	32.7'	#1 with 2" PVC pipes installed. I also checked
#3	25.05'	the pipe outlets and it appears that steady flows
#4	25.65'	were come coming out of Drains #2, #5, #6. Drains #3
#5	83.15'	& #4 were only dripping very so often. Accordg to Mike,
#6	85.7'	They used some technique trying to flush out drain holes #1

#2 & #3
~~#4~~. He said a lot of gray fine sands were plugging drill rods in hole #1 & class 2 perms were plugging drill rods in holes #2 & #3. I observed no sand sands & class 2 perms on the drilling pad floor. Accordg to Mike all of the 2" PVC drain pipes were able to be installed to the end of drill rods before they pulled out of rods. Drain #1, 3, 4 don't appear to drain. Accordg to Mike & Morgan, they will try to use water from Hydrant through smaller diameter PVC pipes to clean the already installed drain pipes #1, 3, & 4. Some bleach will also be pour into the well to see if polymer has something to do with the non-draining and bleach can breakdown the remaining polymer if any. ~~After~~ After Cross Country

COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen

**Stevens,
Ferrone &
Bailey**
Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager _____

Task Code _____

DATE 10/29/12 Mon		JOB NO. 555-1	
PROJECT Kelok Way Dewatering Works			
LOCATION Clayton, CA			
CONTRACTOR ESR / Cross Country		OWNER OGHAD	
WEATHER Clear		TEMP. ° at AM ° at PM	
PRESENT AT SITE			

THE FOLLOWING WAS NOTED:

pulled out all drill rods from down hole
#1, gray fine sands can be seen inside the last about 30' long of
rods. ESR also had 2 concrete catch basin structures (3.5' high
each) at the site for later installation. Cross Country will leave the
site since they had finish everything they can do at the site. It was
leave for ESR to tryng clean out those non-drainy pipes.

COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.888.1001
FAX 925.888.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

THE FOLLOWING WAS NOTED:

DATE 11/2/12 Fri		JOB NO. 555-1	
PROJECT Kelok Way Dewatering Wells			
LOCATION Clayton, CA			
CONTRACTOR ESR		OWNER OGHAD	
WEATHER Clear		TEMP. ° at ° AM PM	
PRESENT AT SITE Mike of ESR			

Onsite to check out the progress of cleaning

drain pipes. At the time I arrived, Mike was pulling out copper pipes

#1 24.55' that he used to inject hydant water to clean

#2 32.75' drain #1. A lot of gray color water came out of

#3 Not measured due to a car parked on top of the drain pipe. According to

#4 24.5' Mike, he was able to insert his 1/2" copper pipe

#5 83.2' all the way to the end, but he noticed his copper

#6 85.7' pipe went it more than the ^{as-built} length drain pipe cross

Conry gave him. Mike said he will try to clean drain #1 and

#2 one more time next Monday. He also told me the water draining

from drain #2 had suddenly decreased after lunch time and he had

no clue what had happened to it. So he ^{will} ~~think~~ clean drain #2 to

see how it goes. According to him, he was able to clean drains #3

& #4 but that doesn't seem to work. Now only little water is

dripping at the end of pipes. I went to check groundwater tables

in the well and the results were as above.

COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Ken Ferrone

Task Code 3F2

THE FOLLOWING WAS NOTED:

Onsite to check out ESR's progress on cleaning of drain pipes #1 through #4. When I arrived, Mike was on #3 and he said he felt gruels at the ~~end~~ well of pipe. After he pulled out his copper pipes, ~~the~~ there is bent at the end of his copper pipe and some dents on the site. According to him, he cleared the drain #2 yesterday and it suddenly stopped flowing. But the flow of drain #2 resume this morning. I can smell bleach odor from water flowing out of the pipe. Mike said he poured 8 gallons of bleach in each of wells #1 through #4 a week ago and this morning PCDC also added some slurry buster to wells #1 through #4. Mike said he still can't clean the drain #1, all the water he got is grayish and with strong sulfur odor. ~~His~~ His copper pipe can went in to about 410' but the drain pipe hole is only supposed to be 396', which indicates a cavity exists beyond the ~~end~~ end. I went to check the groundwater levels in wells as follow. Well #1 at 21.3', Well #2 at 34.4', Well #3 at 25.5' & well #4 at 25.0'. As of today, drains #2, #5 & #6 are running, drain #3 & #4 are dripping, drain #1 appear to stopped dripping. Mike is trying to clean drain #1 before he pulled out the site.

COPIES TO: _____

FIELD REPORT

SIGNATURE: [Signature]

PRINT NAME: Taiming Chen

DATE 11/6/12 Tue	JOB NO. 555-1
PROJECT Kelok Way Dewatering Wells	
LOCATION Clayton, CA	
CONTRACTOR ESR	OWNER OGHAD
WEATHER Clear	TEMP. ° at AM ° at PM
PRESENT AT SITE Mike of ESR	

S F B Project Manager Ken Ferrone

Task Code 3 F2

DATE <u>11/29/12 Thu</u>		JOB NO. <u>555-1</u>	
PROJECT <u>Kelok Way Dewatering Wells</u>			
LOCATION <u>Clayton, CA</u>			
CONTRACTOR <u>ESR</u>		OWNER <u>DCHAD</u>	
WEATHER <u>Cloudy</u>		TEMP. <u>°</u> at <u>°</u> at <u>AM</u> <u>PM</u>	
PRESENT AT SITE <u>None</u>			

THE FOLLOWING WAS NOTED:

Onsite to check out the current condition
of the site. ESR was not there. The previous drilling pit was completely
backfilled and the surrounding slope was restored. The slope was covered
with straw netting with baffle rolls for erosion control. A section of concrete
walk was repaired and a previous lawn area was ~~sodded~~ ^{planted} with new sods.
Some equipments & debris still remain at the street end-de-sac. A
new concrete collector box was installed to collect water from the horizontal
drain pipes. 7 pipe outlets were observed in the box, which included
one from a previous temporary drain pipe to collect slope seepage and six
from horizontal drain pipes. Active water flows were observed at the ends
of slope seepage pipe and drain pipes #2, #5 & #6. Drain pipes #1,
#3 & #4 appear to be periodic dripping. The groundwater levels in the
Periodical dripping was observed at outlets of drain pipes &
wells on Kelok Way were measured as below.

Well #1	22.35'
#2	39.28'
#3	26.09'
#4	25.64'
#5	83.18'
#6	85.65'

COPIES TO: _____

FIELD REPORT

SIGNATURE: Taiming Chen

PRINT NAME: Taiming Chen

APPENDIX B

TABLE B-1
SUMMARY OF LABORATORY COMPACTION TEST RESULTS

ASTM D1557			
No.	Description	Maximum Dry Density (pcf)	Optimum Moisture (%)
2	Onsite: Brown silty CLAY (CL), some sand	110	17

Stevens, Ferrone and Bailey Engineering Company, Inc.

Geotechnical Engineering
Engineering Geology
Storm Water Management
Construction Observation and Testing Services

PROJECT NO.: 555-1		PROJECT: Kelok Way Dewatering Wells, Clayton, CA									
TABLE B-2 FIELD DENSITY TEST RESULTS ASTM D2922-91											
TEST NO.	DATE	LOCATION	ELEV.	MOISTURE CONTENT (%)	DRY DENSITY (pcf)	RELATIVE COMPACT. (%)	R.C. REQUIRE. (%)	CURVE (no.)	CURVE (pct@%)	REMARKS	
1	11/9/2012	Drill Pit Backfill	3' BFG	15	107	97	90	2	110@17		
2	11/9/2012	Drill Pit Backfill	4' BFG	16	104	96	90	2	110@17		
3	11/12/2012	Drill Pit Backfill	3' BFG	20	99	90	90	2	110@17		
4	11/12/2012	Drill Pit Backfill	2' BFG	19	100	91	90	2	110@17		
5	11/12/2012	Drill Pit Backfill	1' BFG	21	99	90	90	2	110@17		
6	11/13/2012	Drill Pit Backfill	12' BFG	20	105	95	90	2	110@17		
7	11/13/2012	Drill Pit Backfill	12' BFG	21	101	92	90	2	110@17		
8	11/13/2012	Drill Pit Backfill	11' BFG	20	104	95	90	2	110@17		
9	11/13/2012	Drill Pit Backfill	FG	22	100	91	90	2	110@17		
10	11/13/2012	Drill Pit Backfill	7' BFG	22	102	93	90	2	110@17		
11	11/14/2012	Drill Pit Backfill	4' BFG	20	103	94	90	2	110@17		
12	11/14/2012	Drill Pit Backfill	3' BFG	19	101	92	90	2	110@17		
13	11/15/2012	Drill Pit Backfill	3' BFG	20	100	91	90	2	110@17		
14	11/15/2012	Drill Pit Backfill	4' BFG	19	99	90	90	2	110@17		
15	11/15/2012	Drill Pit Backfill	FG	18	102	93	90	2	110@17		
16	11/15/2012	Drill Pit Backfill	FG	21	99	90	90	2	110@17		

Note: FG = Finish Grade; BFG = Below Finish Grade.

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager

Ken F

Task Code

TF3

THE FOLLOWING WAS NOTED:

Site visited for bore pit

backfill observation and testing @ North Valley Arch.

*At the time of this visit, contractor connecting subdrains
1-6 to junction box and outfall pipe to existing D.F. @
west end of park. Backfilling bore pit and outfall structures
in 12-18" lifts of on-site material. Each lift compacted
by excavator-mounted compaction wheel. Removing organics/debris.
Field density tests meet spec, specs; 90%.*

DATE	<i>11/9/12</i>		JOB NO.	<i>555-1</i>	
PROJECT	<i>Keloke Way</i>				
LOCATION	<i>Clayton, Ca.</i>				
CONTRACTOR	<i>ESR</i>		OWNER		
WEATHER	<i>Clear</i>		TEMP.	<i>° at</i>	AM
				<i>° at</i>	PM
PRESENT AT SITE	<i>Mike - ESR</i>				

COPIES TO: _____

FIELD REPORT

SIGNATURE

for Threlges

PRINT NAME:

S. Threlges

**Stevens,
Ferrone &
Bailey**
Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager Kenn F.
Task Code 7F3

DATE	11/12/12	JOB NO.	555-1
PROJECT	Kelok Wg.		
LOCATION	Clayton, CA		
CONTRACTOR	ESR	OWNER	City of Clayton
WEATHER	clear	TEMP.	° at AM ° at PM
PRESENT AT SITE Mike - ESR			

THE FOLLOWING WAS NOTED:

Site visited to continue
observation / testing sensors on borepit and subman
outfall backfill in North Valley Park.

Contractor continuing work on outfall connections @
west end of park. Backfilling in 12-18" lifts of
onsite material; each lift compacted w/ excavator
compaction wheel. Contractor removing organics / debris.
Field density tests meet 90% compaction

COPIES TO: _____

FIELD REPORT

SIGNATURE: Jim Thielges

PRINT NAME: J. Thielges

**Stevens,
Ferrone &
Bailey**
Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager

Ken F.

Task Code

7F3

DATE	11/13/12	JOB NO.	555-1
PROJECT	Kelok Wy.		
LOCATION	Chayton, Ca.		
CONTRACTOR	ESR	OWNER	City/Chayton
WEATHER	clear	TEMP.	° at AM ° at PM
PRESENT AT SITE			
ESR			

THE FOLLOWING WAS NOTED:

Site visited for continued
observation/testing services on benefit/drain outfall
breakfall in North Valley park.

Contractor making final outfall connections and
continuing breakfall placement in 12-18" lifts of onsite soil.
Each lift compacted by excavator wheel.
Field density tests meet project specs; 90%.

COPIES TO:

City of Chayton

FIELD REPORT

SIGNATURE:

Jon Thielges

PRINT NAME:

J. Thielges

Stevens, Ferrone & Bailey

Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager

Kent F.

Task Code

7F3

DATE	<u>11/14/12</u>	JOB NO.	<u>555-1</u>
PROJECT	<u>Kelola Wy.</u>		
LOCATION	<u>Chayton, CA,</u>		
CONTRACTOR	<u>ESR</u>	OWNER	<u>City / Chayton</u>
WEATHER	<u>clear</u>	TEMP.	<u>° at</u> <u>AM</u> <u>° at</u> <u>PM</u>
PRESENT AT SITE <u>ESR</u>			

THE FOLLOWING WAS NOTED:

Site visited to continue observation
and testing sensors on bore pit backfill in North Valley Park.
Contractor placing 12-18" lifts of onsite material
using excavator and tracked dump. Each lift compacted
using excavator wheel.
Field density tests meet project specs; 90%,

COPIES TO:

City of Chayton

FIELD REPORT

SIGNATURE:

J. Threlges

PRINT NAME:

J. Threlges

**Stevens,
Ferrone &
Bailey**
Engineering Company, Inc.

1600 Willow Pass Court
Concord, CA 94520
TEL 925.688.1001
FAX 925.688.1005

S F B Project Manager

Ken F.

Task Code

TF3

THE FOLLOWING WAS NOTED:

Site visited for borepit backfill
compaction testing.

Contractor placing 12-18" lifts of onsite soil using
truck dump and excavator. Each lift compacted
with excavator wheel. Contoured Finish grade to exist. slope.
Field density tests next prog. spec 90%.

DATE	<u>11/15/12</u>	JOB NO.	<u>555-1</u>
PROJECT	<u>Rebok way</u>		
LOCATION	<u>Chapton, CA</u>		
CONTRACTOR	<u>ESR</u>	OWNER	<u>City/Chapton</u>
WEATHER	<u>Cloudy</u>	TEMP.	<u>at</u> <u>AM</u> <u>at</u> <u>PM</u>
PRESENT AT SITE <u>ESR-</u>			

COPIES TO:

City of Chapton

FIELD REPORT

SIGNATURE

Jon Shields

PRINT NAME:

J. Shields

January 22, 2013

Mr. Rick Angrisani
Oakhurst Geologic Hazard Abatement District
6000 Heritage Trail
Clayton, CA 94517

Re: Revised Proposal to Provide Limited Geotechnical Monitoring and Inspection Services
Inclinometers/Piezometers/Wells at Kelok Way, Clayton, California
SFB Proposal No: 555-2

Mr. Angrisani:

In accordance with your request, Stevens, Ferrone & Bailey Engineering Company, Inc. (SFB) has revised our proposal to perform limited, semi-annual (twice per year) geotechnical services to monitor some of the inclinometer casings, water pressure in some of the piezometers, and water levels in some of the open pipe piezometers and dewatering wells located within Kelok Way and within the north facing slope located immediately to the north and below Kelok Way; the approximate locations of the proposed monitoring points are shown on the attached location map. Many of the locations include several devices such as inclinometer casing, vibrating wire piezometers, and open pipe piezometers/wells. We also propose on inspecting the functionality of the dewatering wells, perform geotechnical evaluation of the accumulated data, and prepare a summary report after each monitoring session providing the results of the monitoring. This revised, limited proposal is based on our understanding of the site history, previous monitoring performed at the site, and the construction of six Kelok Way dewatering wells and associated outlet pipes. It is also our understanding that the Oakhurst Geologic Hazard Abatement District has limited funds for monitoring and requests that not all of the points located in and near Kelok Way be monitored in order to reduce costs.

We propose on monitoring the following existing installations:

Inclinometer Casings (total of 8):

- a) BGC SI-1
- b) CEG SI-1
- c) CSA SI-1, SI-2, SI-3, and SI-4
- d) W SI-1 and W SI-5

Vibrating Wire Piezometers (12 total):

- a) 3 in CSA SI-1, SI-2, SI-3, and SI-4

Open Pipe Piezometers (7 total):

- a) CEG PZ-1 and PZ-2
- b) BGC SI-1
- c) CEG SI-1 and CEG SI-3
- d) CSA SI-1 and CSA SI-2
- e) MW-1

Dewatering Wells (6 total):

- a) W-1, W-2, W-3, W-4, W-5, and W-6

1.0 SCOPE OF SERVICES

1.0 Inclinometer Casing Monitoring: Monitor the existing inclinometer casings listed above on a semi-annual basis using a Digitilt probe. An initial measurement (initialization) of the casing orientation will be recorded for all casings; all future readings will be compared to this initial casing orientation measurement. Each casing will be monitored to the fullest depth possible except for CSA SI-3. CSA SI-3 will be monitored to a depth of about 150 feet since no obvious lateral movement below a depth of about 100 feet was indicated by previous monitoring results performed by others.

1.1 Vibrating Wire Piezometer Monitoring: Monitor the vibrating wire pressure transducers (VWT) listed above on a semi-annual basis using an RST instruments readout or similar device in order to record the water pressure at each specific transducer depth location.

1.2 Open Pipe Piezometers and Dewatering Wells: Measure and record water levels in open pipe piezometers and dewatering wells listed above on a semi-annual basis.

1.3 Visual Inspections: Perform visual inspections of the dewatering well system on a semi-annual basis, including the collector box and associated storm drain pipe.

1.4 Geotechnical Engineering Evaluation: Perform a brief geotechnical evaluation of the accumulated monitoring and inspection data. Prepare geotechnical opinions based on the results of the evaluation.

1.5 Presentation of Monitoring and Inspection Results: On a semi-annual basis, prepare and submit a geotechnical engineering summary report presenting the results of the monitoring, measurements, and inspections described above (including printouts of inclinometer casing measurements, VWT piezometer pressure levels, and open pipe piezometer and dewatering well water levels). The summary report would include a brief summary of our geotechnical opinions based on the results of the accumulated data.

2.0 COSTS

The fee to perform the initial monitoring and inspection will be a lump sum of \$6,900 which reflects the additional time needed to initialize the measurements and construct monitoring templates for future monitoring. The fee to perform each subsequent monitoring, inspection, and evaluation session will be a lump sum of \$4,800. Any authorized, additional work not included in the above scope of services would be charged on a time and materials basis in accordance with our schedule of charges.

3.0 SCHEDULE

The initial and subsequent monitoring, inspection, and evaluation sessions will require approximately two weeks to complete and will conclude with the submittal of the summary report.

We thank you for considering our firm and look forward to being of service to you. If you have any questions concerning this proposal, please contact me.

Sincerely,

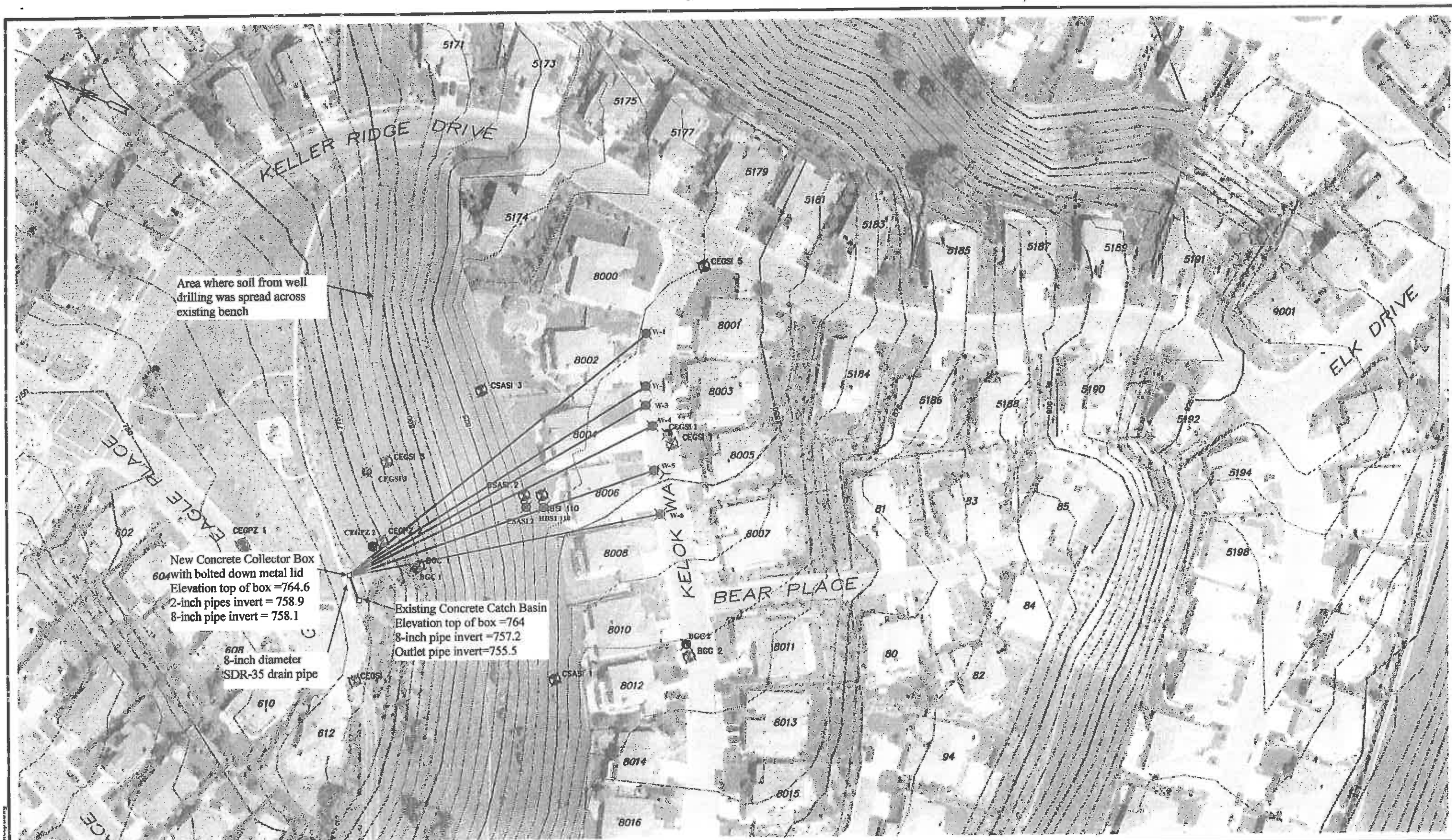
**Stevens, Ferrone & Bailey
Engineering Company, Inc.**



Ken Ferrone, P.E., G.E., C.E.G.
Vice President

Copies: Addressee (1 by e-mail)





Engineered Soil Repairs, Inc.
1267 Springbrook Road
Walnut Creek, CA 94597

Kelok Way Wells Layout "As-Built"
Clayton, California
(REVISED DECEMBER 10, 2012)

December 2012

Figure 1