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**CITY OF SUSANVILLE**  
66 North Lassen Street ♦ Susanville CA  
**Rod E. De Boer, Mayor**  
**Brian Wilson, Mayor pro tem**  
**Lino P. Callegari      Cheryl McDonald      Nicholas McBride**

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SUSANVILLE COMMUNITY DEVELOPMENT AGENCY    SUSANVILLE MUNICIPAL ENERGY CORPORATION    SUSANVILLE PUBLIC FINANCING AUTHORITY

**Susanville City Council**  
**Regular Meeting ♦ City Council Chambers**  
**March 19, 2014 – 6:00 p.m.**

*Call meeting to order*

*Roll call of Councilmembers present*

*Next Resolution No. 14-5037*

*Next Ordinance No. 14-0996*

**1      APPROVAL OF AGENDA:** (Additions and/or Deletions)

**2      PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS** (if any): Any person may address the Council at this time upon any subject for discussion during Closed Session. The City Administrator will provide an oral update on the status of any open labor negotiations.

**3      CLOSED SESSION:**

- A      CONFERENCE WITH LEGAL COUNSEL – Anticipated litigation: Significant exposure to litigation pursuant to Government Code §54956.9 (b); six potential claims
- B      PUBLIC EMPLOYMENT – pursuant to Government Code §54957:
  - 1.      Employee Status Report

**4      RETURN TO OPEN SESSION:** (recess if necessary)

- *Reconvene in open session at 7:00 p.m.*
- *Pledge of allegiance*
- *Report any changes to agenda*
- *Report any action out of Closed Session*
- *Moment of Silence or Thought for the Day:* Chief Theodore Friedline
- *Proclamations, awards or presentations by the City Council:*  
**Presentation:** Designating April as Sexual Assault Awareness Month (SAAM)

**5      BUSINESS FROM THE FLOOR:**

Any person may address the Council at this time upon any subject **not on the agenda** within the jurisdiction of the City Council. However, any matter that requires action will be referred to staff for a report and action at a subsequent meeting. Presentations are subject to a five-minute limit.

**6**     **CONSENT CALENDAR:**

All matters listed under the Consent Calendar are considered to be routine by the City Council. There will be no separate discussion on these items. Any member of the public or the City Council may request removal of an item from the Consent Calendar to be considered separately.

- A     Approve vendor warrants numbered 90389 through 90439 for a total of \$176,174.20 including \$90,669.02 in payroll warrants
- B     Receive and file Treasurers Report: February 2014
- C     Receive and file Finance Report: February 2014
- D     Approve surplus of equipment and authorize sale

**7**     **PUBLIC HEARINGS:**    No business.

**8**     **COUNCIL DISCUSSION/ANNOUNCEMENTS:** No business.  
Commission/Committee Reports:

**9**     **NEW BUSINESS:**

- A     Consider approval of **Resolution No. 14-5036** Authorizing execution of office equipment lease
- B     Consider authorization of purchasing contract with Sysco for Diamond Mountain Golf Course
- C     Consideration approval of Golf Course Concession Agreement with Tammy Wheeler

**10**    **SUSANVILLE COMMUNITY DEVELOPMENT AGENCY:** No business.

**11**    **SUSANVILLE MUNICIPAL ENERGY CORPORATION:** No business.

**12**    **CONTINUING BUSINESS:** No business.

**13**    **CITY ADMINISTRATOR'S REPORTS:**

- A     Public Works Department Update – *C. Platt*
- B     Natural Gas Utility 5-year Plan – *C. Platt*

**14**    **COUNCIL ITEMS:**

- A     AB1234 travel reports:

**15**    **ADJOURNMENT:**

- *The next regular City Council meeting will be held on April 2, 2014 at 6:00 p.m.*

*Reports and documents relating to each agenda item are on file in the Office of the City Clerk and are available for public inspection during normal business hours and at the meeting. These reports and documents are also available at the City's website [www.cityofsusanville.org](http://www.cityofsusanville.org), unless there were systems problems posting to the website.*

*Accessibility: An interpreter for the hearing-impaired may be made available upon request to the City Clerk seventy-two hours prior to a meeting. A reader for the vision-impaired for purposes of reviewing the agenda may be made available upon request to the City Clerk. The location of this meeting is wheelchair-accessible.*

I, Gwenna MacDonald, certify that I caused to be posted notice of the regular meeting scheduled for April 2, 2014 in the areas designated on March 14, 2014.

A handwritten signature in black ink, appearing to read "Gwenna MacDonald". The signature is fluid and cursive, with the first name being more prominent.

Gwenna MacDonald, City Clerk

## PROCLAMATION

**WHEREAS**, April is Sexual Assault Awareness Month (SAAM) and is intended to draw attention to the fact that sexual violence is widespread and impacts every resident of Susanville, California; and

**WHEREAS**, sexual assault affects women, men and children of all racial, cultural and economic backgrounds; and

**WHEREAS**, in addition to the immediate physical and emotional costs, sexual assault may also have associated consequences of post-traumatic stress disorder, substance abuse, depression, homelessness, eating disorders and suicide; and

**WHEREAS**, sexual assault can be devastating not only for the survivor, but also for the family, friends, and community of the survivor; and

**WHEREAS**, the many voices of those who have been victims of sexual violence must be supported and heard; and

**WHEREAS**, no one person, organization, or agency in our community can eliminate sexual assault on their own, but we can work together to educate our entire community about what can be done to prevent sexual assault, support victim/survivors and their significant others, and increase support for agencies providing services to victim/survivors; and

**WHEREAS**, the City Council of Susanville, California strongly supports the efforts of national, state and local partners, and of every citizen, to actively engage in public and private efforts to prevent sexual violence. It is time to start conversations, take appropriate action and support one another to create a safer environment for all.

**NOW, THEREFORE**, on behalf of the City Council of the City of Susanville, I, Rod E. De Boer, Mayor of the City of Susanville, do hereby proclaim April as "Sexual Assault Awareness Month."

March 19, 2014

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Rod E. De Boer, Mayor

ATTEST:

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Gwenna MacDonald, City Clerk

Reviewed by: ~~City Administrator~~  
~~City Attorney~~

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

**Submitted by:** Deborah Savage, Finance Manager

**Action Date:** March 19, 2014

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** Vendor and Payroll Warrants

**PRESENTED BY:** Deborah Savage, Finance Manager

**SUMMARY:** Warrants dated February 28<sup>th</sup> through March 12<sup>th</sup> numbered 90389 through 90439

**FISCAL IMPACT:** Accounts Payable vendor warrants totaling \$85,505.18 plus \$90,669.02 in payroll warrants, for a total of \$176,174.20

**ACTION REQUESTED:** Motion to receive and file.

**ATTACHMENTS:** Payments by vendor and transmittal check registers.

Report Criteria:

Report type: GL detail  
 Check Voided = False

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Inv Seq	GL Account No	GL Account Title	Seq Amount	Check Amount	
02/14	02/28/2014	90389	728	U S POSTMASTER	GAS BILLING POSTAGE	022814	1	7401-430-62-46	POSTAGE	271.41	271.41	
02/14	02/28/2014	90389	728	U S POSTMASTER	WATER BILLING POSTAGE	022814	2	7401-430-62-46	POSTAGE	526.86	526.86	
Total 022814:											798.27	798.27
Grand Totals:											798.27	798.27

## Report Criteria:

Transmittal checks included

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Payee ID	GL Account	Amount
02/28/2014	CDPT	03/04/2014	258	CITY OF SUSANVILLE PA	1	7650-2203-1	5,826.02-
02/28/2014	CDPT	03/04/2014	258	CITY OF SUSANVILLE PA	1	7650-2203-1	5,826.02-
02/28/2014	CDPT	03/04/2014	258	CITY OF SUSANVILLE PA	1	7650-2203-1	1,869.62-
02/28/2014	CDPT	03/04/2014	258	CITY OF SUSANVILLE PA	1	7650-2203-1	1,869.62-
02/28/2014	CDPT	03/04/2014	258	CITY OF SUSANVILLE PA	1	7650-2203-1	14,211.38-
02/28/2014	CDPT	03/04/2014	259	EMPLOYMENT DEV. DEP	6	7650-2203-1	4,301.25-
02/28/2014	CDPT	03/04/2014	260	EMPLOYMENT DEV DEP	7	7650-2203-1	1,080.85-
02/28/2014	CDPT	03/04/2014	90393	CA STATE DISBURSEME	26	7650-2203-0	184.61-
02/28/2014	CDPT	03/04/2014	90394	CA STATE DISBURSEME	35	7650-2203-0	247.38-
02/28/2014	CDPT	03/04/2014	90395	CA STATE DISBURSEME	36	7650-2203-0	103.84-
02/28/2014	CDPT	03/04/2014	90396		28	7650-2203-0	391.38-
02/28/2014	CDPT	03/04/2014	90397	NATIONWIDE RETIREME	5	7650-2203-0	125.00-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	8,565.04-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	1,952.98-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	5,355.47-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	3,886.17-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	183.10-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	120.82-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	111.33-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	307.38-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	306.34-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	631.19-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	631.19-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	173.51-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	173.51-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	16.00-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	4,312.85-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	1,304.61-
02/28/2014	CDPT	03/04/2014	90398	P.E.R.S.	8	7650-2203-1	2,515.44-
02/28/2014	CDPT	03/04/2014	90399	STATE OF CALIF FRAN T	27	7650-2203-0	448.98-
02/28/2014	CDPT	03/04/2014	90400	STATE OF CALIF FRANC	18	7650-2203-0	109.90-
02/28/2014	CDPT	03/04/2014	90401	VALIC	4	7650-2203-0	2,477.05-
Grand Totals:			32				69,619.83-

Report Criteria:

Report type: GL detail  
Check Voided = False

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Inv Seq	GL Account No	GL Account Title	Seq Amount	Check Amount
03/14	03/06/2014	90410	68	BECKWITH MD, DAVID R	FIRE FIGHTER QUESTIONAIRE	030314	1	1000-422-10-43	PROFESSIONAL SVCS	150.00	150.00
Total 030314:											
03/14	03/06/2014	90411	76	BILLINGTON ACE HARD	PAINTING PROJECT SUPPLIES	293519	1	1000-422-10-46	SUPPLIES-GENERAL	5.79	5.79
Total 293519:											
03/14	03/06/2014	90411	76	BILLINGTON ACE HARD	HALO LAMP	294040	1	1000-422-10-44	VEHICLE - REPAIR & MAINTEN	4.83	4.83
Total 294040:											
03/14	03/06/2014	90411	76	BILLINGTON ACE HARD	PAINTING PROJECT SUPPLIES	294083	1	1000-422-10-44	MISC - REPAIR & MAINTENANC	40.59	40.59
Total 294083:											
03/14	03/06/2014	90411	76	BILLINGTON ACE HARD	BATTERIES	294095	1	1000-422-10-46	SUPPLIES-GENERAL	7.51	7.51
Total 294095:											
03/14	03/06/2014	90412	1091	BOUND TREE MEDICAL L	DEFIB. REPLACEMENT BATTER	81335087	1	1000-422-10-46	SUPPLIES-SAFETY ITEMS	289.35	289.35
Total 81335087:											
03/14	03/06/2014	90412	1091	BOUND TREE MEDICAL L	DEFIB. REPLACEMENT BATTER	81336342	1	1000-422-10-46	SUPPLIES-SAFETY ITEMS	580.41	580.41
Total 81336342:											
03/14	03/06/2014	90413	161	CSK AUTO INC	PULLEY	2740291369	1	7110-430-42-44	REPAIR AND MAINTENANCE-V	11.87	11.87
Total 2740291369:											
03/14	03/06/2014	90413	161	CSK AUTO INC	HOSE	2740291510	1	7110-430-42-44	REPAIR AND MAINTENANCE-V	18.37	18.37

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Inv Seq	GL Account No	GL Account Title	Seq Amount	Check Amount
Total 2740291510:											
03/14	03/06/2014	90414	1261	DIAMOND TRUCK AND A	BRAKE PADS, OIL CHANGE	1925	1	1000-421-10-44	VEHICLE - REPAIR & MAINTEN	18.37	18.37
Total 1925:											
03/14	03/06/2014	90414	1261	DIAMOND TRUCK AND A	REMOVE 2 WAY RADIO	1950	1	1000-421-10-44	VEHICLE - REPAIR & MAINTEN	250.02	250.02
Total 1950:											
03/14	03/06/2014	90415	208	TR EX SAN DIEGO	3/9/14	030414	1	1000-421-10-45	TRAINING	390.50	390.50
Total 030414:											
03/14	03/06/2014	90416	1356	TR EX MARYSVILLE	3/11/14	030114	1	8404-430-10-45	TRAVEL & TRAINING	161.00	161.00
Total 030114:											
03/14	03/06/2014	90416	1356	TR EX TO TRUCKEE	3/5/14	030414	1	8404-430-10-45	TRAVEL & TRAINING	106.50	106.50
Total 030414:											
03/14	03/06/2014	90417	1336	EMERGENCY EQUIPMEN	CYLINDER, REFLECTIVE, HOUS	62972	1	1000-422-10-46	SUPPLIES-SAFETY ITEMS	208.63	208.63
Total 62972:											
03/14	03/06/2014	90418	238	FASTENAL COMPANY	FASTENERS	56229	1	2007-431-20-44	REPAIR AND MAINTENANCE-V	208.63	208.63
Total 56229:											
03/14	03/06/2014	90419	241	FEATHER PUBLISHING C	BUS CARDS, FIRE INSPECTION	00978634	1	1000-422-10-45	PRINTING AND BINDING	230.74	230.74
Total 00978634:											
03/14	03/06/2014	90420	265	FRONTIER - IRREGULAR	021-1147 CITY HALL	11147 022014	1	1000-417-10-45	COMMUNICATIONS	1,055.70	1,055.70
Total 11147 022014:											

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Inv Seq	GL Account No	GL Account Title	Seq Amount	Check Amount
03/14	03/06/2014	90420	265	FRONTIER - IRREGULAR	257-2520 GOLF COURSE	2520 020114	1	7530-451-52-45	COMMUNICATIONS	381.06	381.06
Total 2520 020114:											
03/14	03/06/2014	90421	1424	GREEN DOT TRANSPOR	CONSULTING SER. ROAD REH	142	1	2007-431-27-43	PROFESSIONAL SERVICES	1,320.00	1,320.00
Total 142:											
03/14	03/06/2014	90422	374	L N CURTIS & SONS	VELCRO	129968200	1	1000-422-10-46	SUPPLIES-SAFETY ITEMS	1,320.00	1,320.00
Total 129968200:											
03/14	03/06/2014	90423	425	LES SCHWAB TIRE CENT	FLAT REPAIR	60400067532	1	7110-430-42-44	REPAIR AND MAINTENANCE-V	46.75	46.75
Total 60400067532:											
03/14	03/06/2014	90424	432	LEXIS NEXIS	E-BOOK FOR AIR POLLUTION	56931409	1	8404-430-10-46	BOOKS AND PERIODICALS	40.25	40.25
Total 56931409:											
03/14	03/06/2014	90425	437	LMUD	1505 MAIN ST	2876 022514	1	1000-422-10-46	ELECTRICITY	756.80	756.80
Total 2876 022514:											
03/14	03/06/2014	90425	437	LMUD	1801 MAIN ST	8314 022514	1	1000-421-10-46	ELECTRICITY	740.57	740.57
Total 8314 022514:											
03/14	03/06/2014	90426	7712		REFUND GAS OVERPAYMENT	10425480014-1	1	9999-1001-001	CASH CLEARING - UTILITIES	130.54	130.54
Total 10425480014-1:											
03/14	03/06/2014	90427	7527		TR EX RANCHO CORDOVA 3/30	030414	1	1000-421-10-45	TRAINING	762.50	762.50
Total 030414:											
03/14	03/06/2014	90428	481	MISSION LINEN & UNIFO	SUPPLIES PW 022514	250105382	1	7620-430-10-44	LINEN SERVICE	57.26	57.26

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Inv Seq	GL Account No	GL Account Title	Seq Amount	Check Amount
Total 250105382:											
03/14	03/06/2014	90429	545	PATRICK & COMPANY	DOG LICENSE TAGS	883080	1	1000-421-10-46	SPAY/NEUTER CLINIC	57.26	57.26
Total 883080:											
03/14	03/06/2014	90430	7728		REIM CALL A TEST FEES	030414	1	7401-430-62-48	TAXES, FEES, PERMITS & CHA	23.33	23.33
03/14	03/06/2014	90430	7728		REIM CALL A TEST FEES	030414	2	7110-430-42-48	TAXES, FEES, PERMITS & CHA	23.33	23.33
03/14	03/06/2014	90430	7728		REIM CALL A TEST FEES	030414	3	2007-431-20-48	TAXES, FEES, PERMIT AND CH	23.34	23.34
Total 030414:											
03/14	03/06/2014	90431	582	RAY MORGAN CO INC	FIRE COPIER 3/26/14-4/25/14	595420	1	1000-422-10-44	RENT & LEASES EQUIP & VEHI	32.12	32.12
Total 595420:											
03/14	03/06/2014	90432	630	SECRETARY OF STATE	NOTICE OF JPA	030514	1	1000-452-22-45	ADVERTISING	1.00	1.00
Total 030514:											
03/14	03/06/2014	90433	806	SUSANVILLE AVIATION	FUEL	2734	1	1000-422-10-46	GASOLINE	65.18	65.18
Total 2734:											
03/14	03/06/2014	90434	1023	TALIA, PETER M.	CITY ATTORNEY 1/26/14-2/25/1	030414	1	1000-412-10-43	PROFESSIONAL SVCS	5,026.50	5,026.50
Total 030414:											
03/14	03/06/2014	90435	758	WALMART COMMUNITY	TISSUE, BINDER CLIPS, TRASH	07587	1	7620-430-10-46	SUPPLIES-GENERAL	33.62	33.62
Total 07587:											
03/14	03/06/2014	90435	758	WALMART COMMUNITY	INK	08790	1	1000-422-10-46	SUPPLIES-GENERAL	16.09	16.09
Total 08790:											
03/14	03/06/2014	90435	758	WALMART COMMUNITY	PAPER TOWELS, SPONGE	09487	1	1000-422-10-46	SUPPLIES-JANITORIAL	46.53	46.53
03/14	03/06/2014	90435	758	WALMART COMMUNITY	PAPER TOWELS, SPONGE	09487	2	1000-422-10-46	SUPPLIES-GENERAL	10.69	10.69

CITY OF SUSANVILLE

Check Register - Payments by Vendor  
Check Issue Dates: 3/6/2014 - 3/6/2014

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Inv Seq	GL Account No	GL Account Title	Seq Amount	Check Amount
Total 09487:											
03/14	03/06/2014	90436	770	WESTERN NEVADA SUP	VALVE	65775389	1	7301-430-52-46	SUPPLIES-GENERAL	383.99	383.99
Total 65775389:											
03/14	03/06/2014	90436	770	WESTERN NEVADA SUP	VALVE	65785987	1	7301-430-52-46	SUPPLIES-GENERAL	205.98	205.98
Total 65785987:											
03/14	03/06/2014	90437	1213	YAMAHA GOLF-CAR CO	SALES TAX CHARGE FOR CAR	880802	1	7530-451-50-48	TAXES, FEES, PERMITS & CHA	902.98	902.98
Total 880802:											
03/14	03/06/2014	90438	1378	ZITO MEDIA	FIRE DEPT 2/2014	356225062 022814	1	1000-422-10-45	COMMUNICATIONS	33.85	33.85
Total 356225062 022814:											
Grand Totals:										15,087.08	15,087.08

Report Criteria:

Report type: GL detail  
Check Voided = False

Reviewed by: ~~Y~~ City Administrator  
~~MS~~ City Attorney

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

**Submitted By:** Deborah Savage, Finance Manager

**Action Date:** March 19, 2014

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** Monthly Finance Report

**PRESENTED BY:** Deborah Savage, Finance Manager

**SUMMARY:** Attached for the Council's review is the cash and investment report and the summary report of revenues, expenditures and projected fund balances for the month of February 2014.

**FISCAL IMPACT:** None

**ACTION REQUESTED:** Motion to receive and file monthly finance report.

**ATTACHMENTS:** Pooled cash and investments report  
Caselle cash report  
Receipts and disbursements report  
Revenues, expenses and fund balances report

## POOLED CASH & INVESTMENTS

February 28, 2014

POOLED CASH FUND	
Cash Clearing-Utilities	(131)
Cash Clearing-Accts Rec	669
Cash Clearing-NSF Checks	980
Cash Clearing-Business License	(65)
Cash Clearing-Business Tax	(25)
Bank of America - Checking	799,606
LAIF	12,310,153
Total Cash & Investments	<u>13,111,188</u>

### Pooled Cash Allocation:

General	1,810,352
General - Restricted	542,304
Special Revenue	1,483,720
Capital Projects	22,932
Debt Service	338,992
Enterprise	
Airport	(24,166)
Geothermal	261,594
Golf Course	31,973
Natural Gas	3,317,127
Water	4,169,620
Internal Service	750,412
Trust & Agency	406,329
Total Cash & Inv. Allocations	<u>13,111,188</u>

## CASH WITH FISCAL AGENTS

February 28, 2014

General	
Special Revenue	
Capital Projects	
Debt Service	171,250
Enterprise	2,446,105
Internal Service	
Trust & Agency	
Total Cash with Fiscal Agents	<u>2,617,354</u>
GRAND TOTAL	<u>15,728,543</u>

CITY OF SUSANVILLE  
 COMBINED CASH AND INVESTMENTS  
 FEBRUARY 28, 2014

COMBINED ACCOUNTS

9999-1001-001	CASH CLEARING - UTILITIES	( 130.54)
9999-1001-002	CASH CLEARING - ACCTS REC	668.95
9999-1001-003	CASH CLEARING - NSF CHECKS	980.05
9999-1001-004	CASH CLEARING - BUSINESS LIC	( 65.00)
9999-1001-005	CASH CLEARING - BUSINESS TAX	( 25.00)
9999-1011-001	B OF A # 08038-80200	799,606.27
9999-1030-001	LAIF	12,310,153.42
	TOTAL COMBINED CASH AND INVESTMENTS	13,111,188.15
9999-1000-000	CLAIM ON CASH	( 13,111,188.15)
	TOTAL UNALLOCATED CASH	<u>.00</u>

CASH ALLOCATION RECONCILIATION

RESTRICTED FUNDS

1001	ALLOCATION TO GF-DEPOSITS PAYABLE	67,755.84
1002	ALLOCATION TO GF-ECONOMIC DEVELOPMENT	3,410.82
1004	ALLOCATION TO GF-PANCERA PLAZA	18,100.27
1005	ALLOCATION TO GF-RESERVE ACCOUNT	453,037.31
2002	ALLOCATION TO STATE COPS	8,989.65
2006	ALLOCATION TO SNOW REMOVAL	109,401.62
2007	ALLOCATION TO STREETS & HIGHWAYS	332,113.52
2010	ALLOCATION TO STREET MITIGATION	66,775.70
2011	ALLOCATION TO POLICE MITIGATION	32,462.20
2012	ALLOCATION TO FIRE MITIGATION	119,693.77
2013	ALLOCATION TO PARK DEDICATION FUND	25,670.80
2014	ALLOCATION TO STATE OF CA - PROP 30/AB 109	28,273.00
2016	ALLOCATION TO CDBG REVOLVING LOAN FUND	121,933.41
2017	ALLOCATION TO STATE ECONOMIC REV FD	232,800.63
2018	ALLOCATION TO HOME REVOLVING FUND	191,489.98
2030	ALLOCATION TO TRAFFIC SAFETY	85,138.13
2031	ALLOCATION TO BARRY CREEK DEVELOPMENT	488.74
2033	ALLOCATION TO CHESTNUT STREET CULVERT	25,231.11
2036	ALLOCATION TO SKYLINE - NUMA SIGNAL	77,778.03
2037	ALLOCATION TO SKYLINE BICYCLE LANE	7,462.55
2038	ALLOCATION TO SKYLINE - RT 139 SIGNAL	18,017.27
3019	ALLOCATION TO STIP REHABILITATION PROJECT	( 183,642.94)
3023	ALLOCATION TO PROP 1B IMPROVEMENTS	34,095.29
3025	ALLOCATION TO SIERRA PARK PROJECT	172,479.32
4001	ALLOCATION TO MARK ROOS SERIES B/92	128,490.19
4003	ALLOCATION TO CITY HALL	48,100.52
4004	ALLOCATION TO 2013 CALPERS REFUNDING LOAN	162,401.25
7111	ALLOCATION TO WATER RATE STABILIZATION FUND	3,000,000.00
7114	ALLOCATION TO WATER CAPITAL IMPROVEMENTS	809,912.84
7402	ALLOCATION TO NATURAL GAS STABILIZATION FUND	1,807,075.00
7610	ALLOCATION TO OPEB	29,457.64
7630	ALLOCATION TO RISK MANAGEMENT FUND	574,721.71
7650	ALLOCATION TO PAYROLL	162,254.91
8401	ALLOCATION TO HUSA BUSINESS IMPROVE DIST	4,949.29

CITY OF SUSANVILLE  
 COMBINED CASH AND INVESTMENTS  
 FEBRUARY 28, 2014

8402	ALLOCATION TO LAFCO	8,906.62
8403	ALLOCATION TO SEC 125 AFLAC	1,699.57
8404	ALLOCATION TO AIR POLLUTION	310,898.55
8405	ALLOCATION TO AIR POLLUTION-CARL MOYER	79,875.33
		9,177,699.44
	ALLOCATIONS TO RESTRICTED FUNDS	
		9,177,699.44
	 <u>UNRESTRICTED FUNDS</u>	
1000	ALLOCATION TO GENERAL FUND	1,810,351.74
7110	ALLOCATION TO WATER SYSTEM	359,706.72
7201	ALLOCATION TO AIRPORT	( 24,166.02)
7301	ALLOCATION TO GEOTHERMAL UTILITY	261,593.67
7401	ALLOCATION TO NATURAL GAS	1,510,051.71
7530	ALLOCATION TO GOLF COURSE	31,973.23
7620	ALLOCATION TO PW ADMIN & ENGINEERING FUND	( 16,022.34)
		3,933,488.71
	ALLOCATIONS TO UNRESTRICTED FUNDS	
		3,933,488.71
	TOTAL ALLOCATIONS TO OTHER FUNDS	13,111,188.15
	ALLOCATION FROM COMBINED CASH FUND - 9999-1000-000	( 13,111,188.15)
		.00
	ZERO PROOF IF ALLOCATIONS BALANCE	.00

# RECEIPTS AND DISBURSEMENTS REPORT

Date	Dep Date	NP Disbursement	Receipts	Balance
				\$477,651.65
		(\$834.49)		\$476,817.16
2/4/2014		(\$88,202.76)	\$112,778.42	\$501,392.82
2/4/2014		(\$6,652.85)		\$494,739.97
2/4/2014		(\$30,381.22)		\$464,358.75
2/4/2014		(\$4,185.43)		\$460,173.32
2/4/2014		(\$1,127.90)		\$459,045.42
2/4/2014		(\$35,100.69)		\$423,944.73
2/4/2014			\$6,344.93	\$430,289.66
2/5/2014	2/4/2014		\$170,841.97	\$601,131.63
2/5/2014			\$2,952.51	\$604,084.14
2/6/2014	2/5/2014	(\$2,898.00)	\$22,494.16	\$623,680.30
2/6/2014			\$1,370.45	\$625,050.75
2/6/2014			\$3,800.51	\$628,851.26
2/6/2014			\$2,420.09	\$631,271.35
2/6/2014		(\$2,143.07)		\$629,128.28
2/6/2014		(\$38.45)		\$629,089.83
2/6/2014		(\$10,074.71)		\$619,015.12
2/6/2014			\$3,784.30	\$622,799.42
2/6/2014		(\$125,612.91)		\$497,186.51
2/6/2014	2/7/2014		\$42,034.36	\$539,220.87
2/6/2014			\$213.50	\$539,434.37
2/6/2014			\$1,945.43	\$541,379.80
2/6/2014			\$237.88	\$541,617.68
2/6/2014			\$897.24	\$542,514.92
2/6/2014			\$1,398.48	\$543,913.40
2/6/2014			\$3,804.04	\$547,717.44
2/7/2014		(\$7,515.29)		\$540,202.15
2/10/2014	2/7/2014		\$36,014.12	\$576,216.27
2/10/2014			\$6,379.08	\$582,595.35
2/11/2014	2/10/2014		\$37,800.89	\$620,396.24
2/11/2014		(\$42,447.93)		\$577,948.31
2/11/2014		(\$18,972.96)		\$558,975.35
2/11/2014		(\$209,011.68)		\$349,963.67
2/11/2014		(\$482.51)		\$349,481.16
2/11/2014		(\$91.93)		\$349,389.23
2/11/2014		(\$2,946.00)		\$346,443.23
2/11/2014			\$3,981.12	\$350,424.35
2/11/2014		(\$370.38)		\$350,053.97
2/12/2014	2/11/2014	(\$186.76)	\$208,176.92	\$558,044.13
2/12/2014			\$8,633.53	\$566,677.66
2/13/2014	2/12/2014	(\$273.00)	\$20,150.58	\$586,555.24
2/13/2014			\$3,014.58	\$589,569.82
2/14/2014	2/13/2014		\$36,481.81	\$626,051.63
2/14/2014			\$3,933.29	\$629,984.92
2/18/2014	2/14/2014		\$44,687.94	\$674,672.86
2/18/2014			\$3,303.08	\$677,975.94
2/18/2014			\$927.11	\$678,903.05
2/18/2014			\$650.57	\$679,553.62
2/18/2014			\$384.62	\$679,938.24
2/18/2014			\$138.00	\$680,076.24
2/18/2014			\$31.93	\$680,108.17
2/18/2014			\$910.08	\$681,018.25
2/18/2014			\$933.62	\$681,951.87
2/18/2014			\$1,046.22	\$682,998.09
2/18/2014			\$2,300.76	\$685,298.85
2/18/2014			\$11.28	\$685,310.13
2/18/2014			\$2,466.11	\$687,776.24

# RECEIPTS AND DISBURSEMENTS REPORT

Date	Dep Date	VP Disbursement	Receipts	Balance
2/18/2014			\$4,875.44	\$692,651.68
2/19/2014	2/18/2014	(\$92,863.27)	\$49,414.10	\$649,202.51
2/19/2014		(\$4,141.25)		\$645,061.26
2/19/2014		(\$32,031.05)		\$613,030.21
2/19/2014		(\$4,744.29)		\$608,285.92
2/19/2014		(\$1,131.93)		\$607,153.99
2/19/2014		(\$60,884.00)		\$546,269.99
2/19/2014		(\$40,278.57)		\$505,991.42
2/19/2014			\$4,744.02	\$510,735.44
2/20/2014	2/19/2014		\$29,303.41	\$540,038.85
2/20/2014			\$5,255.19	\$545,294.04
2/21/2014	2/20/2014		\$17,877.58	\$563,171.62
2/21/2014			\$3,382.35	\$566,553.97
2/21/2014		(\$69,902.18)		\$496,651.79
2/24/2014	2/21/2014	(\$1,192.51)	\$17,532.29	\$512,991.57
2/24/2014			\$2,466.11	\$515,457.68
2/24/2014			\$321.26	\$515,778.94
2/24/2014			\$1,076.08	\$516,855.02
2/24/2014			\$150.00	\$517,005.02
2/24/2014			\$195.00	\$517,200.02
2/24/2014			\$92.60	\$517,292.62
2/24/2014			\$114,400.00	\$631,692.62
2/24/2014			\$5,152.24	\$636,844.86
2/25/2014	2/24/2014	(\$274.50)	\$34,789.04	\$671,359.40
2/25/2014			\$193.93	\$671,553.33
2/25/2014			\$5,229.59	\$676,782.92
2/26/2014			\$34,150.29	\$710,933.21
2/26/2014			\$1,861.91	\$712,795.12
2/26/2014			\$350.00	\$713,145.12
2/26/2014			\$3,031.22	\$716,176.34
2/27/2014	2/26/2014	(\$1,174.11)	\$30,892.81	\$745,895.04
2/27/2014			\$576.13	\$746,471.17
2/27/2014			\$919.06	\$747,390.23
2/27/2014			\$123.65	\$747,513.88
2/27/2014			\$664.67	\$748,178.55
2/27/2014				\$748,178.55
2/27/2014			\$54.11	\$748,232.66
2/27/2014			\$788.21	\$749,020.87
2/27/2014			\$4,006.50	\$753,027.37
2/27/2014		(\$19,804.83)	\$0.10	\$733,222.64
2/28/2014	2/27/2014	(\$798.27)	\$39,687.63	\$772,112.00
2/28/2014			\$3,358.39	\$775,470.39
3/3/2014	2/28/2014		\$17,048.13	\$792,518.52
3/3/2014			\$7,087.75	\$799,606.27

**REVENUES, EXPENDITURES AND FUND BALANCES REPORT  
UNAUDITED**

					Unaudited
<i>s:/Bob/fund Balances Report</i>		Audited			<b>FEBRUARY</b>
Fund #	Fund Title	6/30/13 Fund Balance	YTD Revenue	YTD Expenditures	Fund Balance 2/28/2014
100X	General Fund	2,148,010	3,148,120	3,088,985	2,207,145
2002	State COPS	36,297	50,376	77,683	8,990
2006	Snow Removal	0	142,580	31,694	110,886
2007	Streets	383,689	384,800	418,403	350,086
2010	Street Mitigation	43,186	23,590		66,776
2011	Police Mitigation	37,112	32,309	36,958	32,462
2012	Fire Mitigation	91,641	28,053		119,694
2013	Park Dedication	24,859	812		25,672
2014	State of CA - Prop 30/AB 109	24,674	28,273	24,674	28,273
2016	State Comm. Dev. Rev.FD	998,900	3,931	68,085	934,746
2017	State Economic Rev. FD	434,382	1,874		436,256
2018	Home Revolving Fund	746,797	955		747,752
2030	Traffic Safety	81,452	3,686		85,138
2031	Barry Creek Development	489	(0)		489
2033	Chestnut Street Culvert (was 3004)	25,237	(6)		25,231
2036	Skyline - Numa Signal	77,796	(18)		77,778
2037	Skyline Bicycle Lane	7,465	(2)		7,464
2038	Skyline - Rt 139 Signal	18,021	(4)		18,017
3019	STIP Rehab Project	(481,661)	716,523	443,522	(208,660)
3023	Prop 1B CIP	70,398		35,048	35,350
3025	Sierra Park Project CIP	150,535	25,020	3,075	172,479
4001	Miller Fletcher	962,867	(30,800)	131,585	800,482
4003	City Hall Debt Service	104,361	54,064	110,325	48,100
4004	2013 CalPERS Refunding Loan	0	279,679	117,277	162,401
711X	Water Funds	2,791,498	1,347,295	1,805,982	2,332,811
7201	Airport	1,897,342	81,889	172,465	1,806,767
7301	Geothermal	501,116	61,816	42,095	520,838
740X	Natural Gas	(193,469)	3,023,311	2,854,814	(24,972)
7530	Golf Course	2,010,239	236,117	217,619	2,028,738
7610	OPEB	(174,344)	29,760		(144,584)
7620	PW Admin/Engineering	(344)	5,312	48,810	(43,843)
7630	Risk Management	858,002	338,106	381,539	814,569
8402	LAFCO	26,664	28,489	46,246	8,907
8404	Air Pollution	297,159	165,204	113,134	349,229
8405	Air Pollution - Carl Moyer	323,013	(74)	243,064	79,875
	<b>TOTALS</b>	<b>14,323,385</b>	<b>10,211,037</b>	<b>10,513,084</b>	<b>14,021,338</b>

Reviewed by: X City Administrator  
DM City Attorney

Motion Only  
 Public Hearing  
 Resolution  
 Ordinance  
 Information

**Submitted By:** Gwenna MacDonald, City Clerk

**Action Date:** March 19, 2014

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** Declaring equipment surplus and authorizing sale

**PRESENTED BY:** Gwenna MacDonald, City Clerk

**SUMMARY:** The City has determined that the following equipment is no longer functional or of practical use for the operation of the Golf Course:

- 1989 Torro 455-D Rough Mower/SN 30450-40211

Staff is requesting the approval to surplus the equipment described and take the necessary action to sell in accordance with current policy. The revenue generated from the sale of the vehicles will be placed back into the golf course fund of the City of Susanville.

**FISCAL IMPACT:** Unknown.

**ACTION REQUESTED:** Motion declaring surplus of equipment and authorizing City Staff to take action to sell.

**ATTACHMENTS:** None

Reviewed by: GA City Administrator  
PA City Attorney

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

**Submitted by:** Craig C. Platt, Public Works Director

**Action Date:** March 19, 2014

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** Resolution Number 14-5036 authorizing Mayor to execute a Lease Agreement with GreatAmerica Leasing Corp. for a new Kyocera 4551CI black/white and color copier/printer/fax/scan for use in the Public Works Department

**PRESENTED BY:** Craig C. Platt, Public Works Director

**SUMMARY:** The Public Works Department has been leasing a Kyocera Taskalfa 500CI black/white and color copier/printer/fax/scan through GreatAmerica Leasing Corp. since December 2009. Due to the extensive maintenance and repairs required by this machine, GreatAmerica Leasing Corp. has agreed to buyout the existing Kyocera 500CI contract under a new contract.

The new contract would include the lease of the Kyocera 4551CI and the buyout of the existing Kyocera 500CI. Forest Office Equipment and Kyocera have applied a large discount to buyout our existing contract, which results in no penalties to the Public Works Department. The Kyocera 4551CI has all the functions required to meet the needs of the Public Works Department and has additional desirable features not provided by the Kyocera 500CI.

**FISCAL IMPACT:** The price is \$339.33 per month for a contract term of 63 months. This is a price reduction of \$209.51 per month from our current monthly contract price.

**ACTION REQUESTED:** Motion approving Resolution Number 14-5036 authorizing the Mayor to execute a Lease Agreement with GreatAmerica Leasing Corp. for a new Kyocera 4551CI black/white/color copier/printer/fax/scan machine.

**ATTACHMENTS:** Resolution Number 14-5036  
Great America Leasing Corp. Lease Agreement

**RESOLUTION NUMBER 14-5036**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE**  
**AUTHORIZING MAYOR TO EXECUTE LEASE AGREEMENT WITH GREATAMERICA**  
**LEASING CORP. FOR NEW KYOCERA 4551CI BLACK/WHITE/COLOR**  
**COPIER/PRINTER/FAX/SCAN FOR USE IN THE PUBLIC WORKS DEPARTMENT**

**WHEREAS**, the Public Works Department is in need of a new color/black/white copier/printer/fax/scan due to extensive maintenance and repairs on their current copier; and

**WHEREAS**, the Public Works Department determined that a Kyocera 4551CI black/white/color printer/copier/fax/scan is the appropriate machine to replace the Kyocera 500CI currently in use; and

**WHEREAS**, the copier will be purchased through a Lease Agreement with GreatAmerica Leasing Corp. for a period of 63 months; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Susanville has hereby authorized the Mayor to execute a 63 month Lease Agreement with GreatAmerica Leasing Corporation for a new Kyocera 4551CI black/white/color copier/printer/fax/scan in the amount of \$339.33 per month.

Dated: March 19, 2014

APPROVED: \_\_\_\_\_  
Rod E. De Boer, Mayor

ATTEST: \_\_\_\_\_  
Gwenna MacDonald, City Clerk

The foregoing **Resolution No. 14-5026** was adopted at a regular meeting of the City Council of the City of Susanville, held on the 19<sup>th</sup> day of March, 2014 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAINING:

\_\_\_\_\_  
Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: \_\_\_\_\_  
Peter Talia, City Attorney



AGREEMENT

GREATAMERICA FINANCIAL SERVICES CORPORATION
625 FIRST STREET SE, CEDAR RAPIDS IA 52401
PO BOX 609, CEDAR RAPIDS IA 52406-0609

AGREEMENT NO.: 947085

CUSTOMER ("YOU" OR "YOUR")

FULL LEGAL NAME: Susanville, City of DBA Susanville Public Works

ADDRESS: 720 South St Susanville, CA 96130-4833

VENDOR (VENDOR IS NOT OWNER'S AGENT NOR IS VENDOR AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF THIS AGREEMENT)

Forest Office Equipment Susanville, CA

EQUIPMENT AND PAYMENT TERMS

TYPE, MAKE, MODEL NUMBER, SERIAL NUMBER, AND INCLUDED ACCESSORIES SEE ATTACHED SCHEDULE

1 Kyocera TASKalfa 4551ci copier system

EQUIPMENT LOCATION: As Stated Above (PLUS TAX)

TERM IN MONTHS: 63 MONTHLY PAYMENT AMOUNT: \$339.33 PURCHASE OPTION: Fair Market Value

ADDITIONAL TERMS AND CONDITIONS

AGREEMENT. You want us to pay your Vendor for the equipment referenced herein ("Equipment") and you agree to pay us the amounts payable under the terms of this agreement ("Agreement") each period by the due date. This Agreement will begin on the date the Equipment is delivered to you or any later date we designate. We may charge you a reasonable fee to cover documentation and investigation costs. If any amount payable to us is not paid when due, you will pay a late charge equal to: 1) the greater of ten (10) cents for each dollar overdue or twenty-six dollars (\$26.00); or 2) the highest lawful charge, if less.

NET AGREEMENT. THIS AGREEMENT IS NON-CANCELABLE FOR THE ENTIRE AGREEMENT TERM. YOU UNDERSTAND WE ARE PAYING FOR THE EQUIPMENT BASED ON YOUR UNCONDITIONAL ACCEPTANCE OF IT AND YOUR PROMISE TO PAY US UNDER THE TERMS OF THIS AGREEMENT, WITHOUT SET-OFFS FOR ANY REASON, EVEN IF THE EQUIPMENT DOES NOT WORK OR IS DAMAGED, EVEN IF IT IS NOT YOUR FAULT.

EQUIPMENT USE. You will keep the Equipment in good working order, use it for business purposes only, and not modify or move it from its initial location without our consent. You must resolve any dispute you may have concerning the Equipment with the manufacturer or Vendor. Payments under this Agreement may include amounts you owe your Vendor under a separate arrangement (for maintenance, service, supplies, etc.), which amounts may be invoiced by us on your Vendor's behalf for your convenience.

SOFTWARE/DATA. Except as provided in this paragraph, references to "Equipment" include any software referenced above or installed on the Equipment. We do not own the software and cannot transfer any interest in it to you. We are not responsible for the software or the obligations of you or the licensor under any license agreement. You are solely responsible for protecting and removing any confidential data/images stored on the Equipment prior to its return for any reason.

NO WARRANTY. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. YOU HAVE ACCEPTED THE EQUIPMENT "AS-IS". YOU CHOSE THE EQUIPMENT, THE VENDOR AND ANY/ALL SERVICE PROVIDER(S) BASED ON YOUR JUDGMENT. YOU MAY CONTACT YOUR VENDOR FOR A STATEMENT OF THE WARRANTIES, IF ANY, THAT THE MANUFACTURER OR VENDOR IS PROVIDING. WE ASSIGN TO YOU ANY WARRANTIES GIVEN TO US.

ASSIGNMENT. You may not sell, assign or sublease the Equipment or this Agreement without our written consent. We may sell or assign this Agreement or our rights in the Equipment, in whole or in part, to a third party without notice to you. You agree that if we do so, the assignee will have our rights but will not be subject to any claim, defense, or set-off assertable against us or anyone else.

LAW/FORUM. This Agreement and any claim related to this Agreement will be governed by Iowa law. Any dispute will be adjudicated in a state or federal court located in Linn County, Iowa. You consent to personal jurisdiction and venue in such courts and waive transfer of venue. Each party waives any right to a jury trial.

LOSS OR DAMAGE. You are responsible for any damage to or loss of the Equipment. No such loss or damage will relieve you from your payment obligations hereunder. We are not responsible for, and you will indemnify us against, any claims, losses or damages, including attorney fees, in any way relating to the Equipment. In no event will we be liable for any consequential or indirect damages.

INSURANCE. You agree to maintain comprehensive liability insurance acceptable to us. You also agree to: 1) keep the Equipment fully insured against loss at its replacement cost, with us named as loss payee; and 2) provide proof of insurance satisfactory to us no later than 30 days following the commencement of this Agreement, and thereafter upon our written request. If you fail to maintain property loss insurance satisfactory to us and/or you fail to timely provide proof of such insurance, we have the option, but not the obligation, to secure property loss insurance on the Equipment from a carrier of our choosing in such forms and amounts as we deem reasonable to protect our interests. If we secure insurance on the Equipment, we will not name you as an insured party, your interests may not be fully protected, and you will reimburse us the premium which may be higher than the premium you would pay if you obtained insurance, and which may result in a profit to us through an investment in reinsurance. If you are current in all of your obligations under the Agreement at the time of loss, any insurance proceeds received will be applied, at our option, to repair or replace the Equipment, or to pay us the remaining payments due or to become due under this Agreement, plus our booked residual, both discounted at 3% per annum.

TAXES. We own the Equipment. You will pay when due, either directly or by reimbursing us, all taxes and fees relating to the Equipment and this Agreement. Sales or use tax due upfront will be payable over the term with a finance charge.

END OF TERM. At the end of the term of this Agreement (or any renewal term) (the "End Date"), this Agreement will renew month to month unless a) you provide us written notice, at least 30 days prior to the End Date, of your intent to return the Equipment, and b) you timely return the Equipment to the location designated by us, at your expense. If a Purchase Option is Indicated above and you are not in default on the End Date, you may purchase the Equipment from us "AS IS" for the Purchase Option price. If the returned Equipment is not immediately available for use by another without need of repair, you will reimburse us for all repair costs. You cannot pay off this Agreement or return the Equipment prior to the End Date without our consent. If we consent, we may charge you, in addition to other amounts owed, an early termination fee equal to 5% of the amount we paid for the Equipment.

DEFAULT AND REMEDIES. If you do not pay any sum within 10 days after its due date, or if you breach any other term of this Agreement or any other agreement with us, you will be in default, and we may require that you return the Equipment to us at your expense and pay us: 1) all past due amounts and 2) all remaining payments for the unexpired term, plus our booked residual, both discounted at 4% per annum. We may also use all other legal remedies available to us, including disabling or repossessing the Equipment. You agree to pay all our costs and expenses, including reasonable attorney fees, incurred in enforcing this Agreement. You also agree to pay interest on all past due amounts, from the due date, at 1.5% per month.

UCC. You agree that this Agreement is (and/or shall be treated as) a "Finance Lease" as that term is defined in Article 2A of the Uniform Commercial Code ("UCC"). You agree to forgo the rights and remedies provided under sections 507-522 of Article 2A of the UCC.

MISCELLANEOUS. This Agreement is the entire agreement between you and us and supersedes any prior representations or agreements, including any purchase orders. Amounts payable under this Agreement may include a profit to us. The original of this Agreement shall be that copy which bears your facsimile or original signature, and which bears our original signature. Any change must be in writing signed by each party.

APPLICABLE TO GOVERNMENTAL ENTITIES ONLY

You hereby represent and warrant to us that as of the date of the Agreement: (a) the individual who executed the Agreement had full power and authority to execute the Agreement on your behalf; (b) all required procedures necessary to make the Agreement a legal and binding obligation against you have been followed; (c) the Equipment will be operated and controlled by you and will be used for essential government purposes for the entire term of the Agreement; (d) that all payments due and payable for the current fiscal year are within the current budget and are within an available, unexhausted, and unencumbered appropriation; (e) you intend to pay all amounts payable under the terms of the Agreement when due, if funds are legally available to do so; (f) your obligations to remit amounts under the Agreement constitute a current expense and not a debt under applicable state law; (g) no provision of the Agreement constitutes a pledge of your tax or general revenues; and (h) you will comply with any applicable information reporting requirements of the tax code, which may include 8038-G or 8038-GC Information Returns. If funds are not appropriated to pay amounts due under the Agreement for any future fiscal period, you shall have the right to return the Equipment and terminate the Agreement on the last day of the fiscal period for which funds were available, without penalty or additional expense to you (other than the expense of returning the Equipment to the location designated by us), provided that at least thirty (30) days prior to the start of the fiscal period for which funds were not appropriated, your Chief Executive Officer (or Legal Counsel) delivers to us a certificate (or opinion) certifying that (a) you are a state or a fully constituted political subdivision or agency of the state in which you are located; (b) funds have not been appropriated for the applicable fiscal period to pay amounts due under the Agreement; (c) such non-appropriation did not result from any act or failure to act by you; and (d) you have exhausted all funds legally available for the payment of amounts due under the Agreement. You agree that this paragraph shall only apply if, and to the extent that, state law precludes you from entering into the Agreement if the Agreement constitutes a multi-year unconditional payment obligation.

OWNER ("WE", "US", "OUR") CUSTOMER'S AUTHORIZED SIGNATURE

THIS AGREEMENT IS NON-CANCELABLE FOR THE FULL AGREEMENT TERM. THIS AGREEMENT IS BINDING WHEN WE FUND VENDOR FOR THE EQUIPMENT.

OWNER: GreatAmerica Financial Services Corporation CUSTOMER: (As Stated Above)

SIGNATURE: DATE: SIGNATURE: X DATE:

PRINT NAME & TITLE: PRINT NAME & TITLE:

Reviewed by:  City Administrator  
 City Attorney

Motion only  
 Public Hearing  
 Resolution  
 Ordinance  
 Information

**Submitted by:** Jared G. Hancock, City Administrator

**Action Date:** March 19, 2014

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** Contract with Sysco for food purchases for Diamond Mountain Golf Course

**PRESENTED BY:** Jared G. Hancock, City Administrator

**SUMMARY:** The Diamond Mountain Golf Course Restaurant has requested that we set up a purchase contract with Sysco for food purchases at the Golf Course.

**FISCAL IMPACT:** Not known at this time.

**ACTION REQUESTED:** Authorize execution of purchasing contract with Sysco.

**ATTACHMENTS:** None.

*So we deliver accurate orders, on time, to the right person, at the right place...*

*So we understand your company's history...*

*So the products and services we offer fit your needs exactly...*

*So we're familiar with your professional support people...*

*So we understand your company's personality in the marketplace...*

MARKETING ASSOCIATES NAME & CODE: \_\_\_\_\_

WE'D LIKE YOUR BILLING AND SHIPPING ADDRESSES:

DATE \_\_\_\_\_

**SHIPPING ADDRESS:**

**BILLING ADDRESS:**

DBA TRADE NAME \_\_\_\_\_  
 ADDRESS \_\_\_\_\_  
 CITY, STATE, ZIP+4 \_\_\_\_\_  
 PHONE NUMBER \_\_\_\_\_

LEGAL NAME OF COMPANY (CORPORATE, PARTNERSHIP OR PROPRIETORSHIP NAME) \_\_\_\_\_  
 ADDRESS \_\_\_\_\_  
 CITY, STATE, ZIP+4 \_\_\_\_\_  
 ACCOUNTS PAYABLE CONTACT AND PHONE NUMBER \_\_\_\_\_

**FEDERAL TAX ID** \_\_\_\_\_

A/P FAX NUMBER \_\_\_\_\_ A/P EMAIL ADDRESS \_\_\_\_\_

SHOULD YOU HAVE MULTIPLE UNITS PLEASE ATTACH A COMPLETE LIST

METHOD OF STATEMENT DELIVERY MAIL \_\_\_\_\_ EMAIL \_\_\_\_\_ FAX \_\_\_\_\_

**TELL US THE FACTS ABOUT YOUR BUSINESS:**

PROPRIETORSHIP  PARTNERSHIP  LIMITED PARTNERSHIP  CORPORATION (State incorporated in \_\_\_\_\_)  LIMITED LIABILITY COMPANY  NON-PROFIT  
 NEW OWNER?  YES  NO PURCHASE DATE \_\_\_\_\_ LENGTH OF PRESENT OWNERSHIP \_\_\_\_\_  
 NEW BUSINESS?  YES  NO LENGTH OF TIME IN BUSINESS \_\_\_\_\_ LENGTH OF PRESENT OWNERSHIP \_\_\_\_\_  
 BUILDING/FACILITIES:  OWNED  LEASED OWNER'S NAME \_\_\_\_\_

**PROVIDE THE FOLLOWING INFORMATION FOR INDIVIDUAL PROPRIETORS, GENERAL PARTNERS OR CORPORATE OFFICERS:**

NAME AND TITLE _____	NAME AND TITLE _____	NAME AND TITLE _____
HOME ADDRESS _____	HOME ADDRESS _____	HOME ADDRESS _____
CITY, STATE, ZIP _____	CITY, STATE, ZIP _____	CITY, STATE, ZIP _____
HOME PHONE NO. _____	HOME PHONE NO. _____	HOME PHONE NO. _____
SOCIAL SECURITY NO. _____ % OWNERSHIP _____	SOCIAL SECURITY NO. _____ % OWNERSHIP _____	SOCIAL SECURITY NO. _____ % OWNERSHIP _____
DRIVER'S LICENSE NO. _____ STATE _____	DRIVER'S LICENSE NO. _____ STATE _____	DRIVER'S LICENSE NO. _____ STATE _____

**TELL US ABOUT YOUR OPERATION:**

TYPE OF BUSINESS:  RESTAURANT/FINE DINING  FAST FOOD  FAMILY  MOTEL/HOTEL  CAPACITY \_\_\_\_\_  INSTITUTIONAL  
 HOSPITAL  NURSING HOME NUMBER OF BEDS \_\_\_\_\_  OTHER (please specify) \_\_\_\_\_  
 CUISINE \_\_\_\_\_

GENERAL INFORMATION: WEEKLY PURCHASES \$ \_\_\_\_\_ MONTHLY SALES VOLUME \$ \_\_\_\_\_ NO. OF EMPLOYEES \_\_\_\_\_

**AUTOMATIC PAYMENT IS AVAILABLE:** WOULD YOU LIKE MORE INFORMATION?  YES  NO

**FILL US IN ON WHO YOUR BANKER IS:**

BANK NAME _____	ADDRESS _____	CITY, STATE, ZIP _____
LOAN OFFICER/CONTACT PERSON _____	PHONE NO. _____	
CHECKING (ACCOUNT NO.) _____ BALANCE _____	LOANS (ACCOUNT NO.) _____ BALANCE _____	

**GIVE US A FEW REFERENCES, FOOD DISTRIBUTORS PREFERRED:**

BUSINESS NAME _____	BUSINESS NAME _____	BUSINESS NAME _____
STREET ADDRESS _____	STREET ADDRESS _____	STREET ADDRESS _____
CITY, STATE, ZIP _____	CITY, STATE, ZIP _____	CITY, STATE, ZIP _____
PHONE NO. _____	PHONE NO. _____	PHONE NO. _____
ACCOUNT NUMBER _____	ACCOUNT NUMBER _____	ACCOUNT NUMBER _____

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by: \_\_\_\_\_  
 \_\_\_\_\_ Authorized Officer's Printed Name \_\_\_\_\_ Authorized Officer's Title

Authorized Officer's Signature \_\_\_\_\_

## TERMS, CONDITIONS & SECURITY AGREEMENT

1. **Purpose and parties.** This document is your credit application with Sysco, and if your application is approved, your credit agreement with Sysco (as the same may be renewed, extended, amended or restated from time to time, the "Credit Agreement"). "Sysco" means, separately and collectively, Sysco Corporation, The SYGMA Network Inc., FreshPoint, Inc., and their respective operating subsidiaries and affiliates. You may obtain a complete list of these companies from Sysco's credit department. The term Sysco in context therefore means one or more Sysco companies that provide goods, services, credit, or financial accommodations, to Customer from time to time. "Customer" means applicant. This application is not binding upon Sysco unless approved by Sysco in writing. Even if approved, Sysco in its sole discretion may terminate Customer's credit privileges under this Credit Agreement at any time without prior notice to Customer, except as otherwise provided by law.
2. **Scope of agreement.** This Credit Agreement applies to all of Customer's purchases of goods and services from Sysco. This agreement consists of these terms and conditions and any distribution agreements, invoices or other Sysco documents approved by Sysco in writing to evidence Customer's obligations to Sysco (the "Obligations"), all of which are incorporated in this agreement by reference. Except as to quantity of goods ordered, Customer agrees that Sysco is not subject to any terms and conditions set forth in any purchase order, confirmation or other communication from Customer that would supplement or vary this agreement.
3. **Payment and performance.** Payment is due at the physical location of the Sysco company that provided this credit application, or at such other address as Sysco may designate in writing from time to time. If Customer does not pay or perform on time, all amounts owed, less any unearned charges, become immediately due and payable in full. Subject to any legal limits, Customer agrees to pay: (a) interest of the lesser of (i) 1.5% per month and (ii) the highest non-usurious rate permitted by applicable law on past due amounts from date due until paid; (b) all costs of collection (e.g., attorneys' fees and expenses); and (c) a \$50 fee for each returned item (whether check or ACH) that is dishonored for any reason, or such greater amount allowed by law. In each instance, all charges and fees, and Sysco's rights and remedies, are subject to and automatically constrained by applicable law.
4. **Governing law; forum for disputes.** The parties choose the laws of the state of California to govern all aspects of this credit application and agreement and all transactions and disputes by and between the parties, without regard to any conflicts of law provisions of California. The parties agree to designate the federal and state courts of California as the exclusive place of venue and jurisdiction for any dispute between them; and Customer waives any right Customer may have to transfer or change venue regarding Customer's obligations to Sysco under this credit application.
5. **Special orders.** If Customer ceases doing business with Sysco for any reason, Customer must immediately purchase from Sysco any remaining proprietary or special order items in Sysco's inventory obtained or held for Customer.
6. **Prompt notice of any nonconforming items.** Customer agrees that Sysco is not responsible for any product nonconformity as to quantity, quality or price, unless noted on the original delivery receipt at the time of delivery, or unless Sysco is specifically notified in writing the nonconformity within three (3) days of delivery by certified mail return receipt requested.
7. **Credit approvals; no assignments.** Sysco may establish a credit limit for Customer's account. Customer agrees that Sysco in its sole discretion may increase, decrease or terminate credit at any time. Customer may not assign any rights or benefits under this Credit Agreement without Sysco's prior written consent, which consent may be withheld in Sysco's sole discretion. If Customer is a corporation or other entity, a transfer or assignment of a majority of the equity interest in Customer is considered an assignment within the meaning of this provision.
8. **Payment Terms.** Sysco in its sole discretion may establish or

- determine payment terms with Customer or any related customer. Sysco reserves the right to modify payment terms for Customer or any related customer if, in Sysco's sole discretion, Sysco becomes aware of circumstances that may materially and adversely impact such entity's ability to meet its financial obligations when due. These rights to modify payment terms are not deemed to be a modification of the Terms and Conditions of this Credit Agreement for credit and are in addition to the rights described in any of Sysco's credit, return and collection policies that may have been provided to Customer.
9. **Credit reports and credit information.** Sysco is relying upon the information provided by Customer as Inducement to extend credit to Customer. Customer understands this and certifies to Sysco that all information Customer has provided, or provides in the future, is true, complete, and not misleading, in each and every respect. Customer authorizes Sysco to investigate Customer's credit and business affairs. Customer agrees that Sysco may request consumer reports and other available credit reports about Customer in connection with this application, when Sysco is reviewing, updating or collecting credit from Customer in the future, and as otherwise permitted by applicable law. Upon Customer's request, Sysco will inform Customer if a consumer report was requested and the name and address of any reporting agency that furnished any such consumer report. Customer agrees to notify Sysco in writing by certified mail return receipt requested of any material changes in Customer's financial condition or business affairs, including, without limitation, any changes in financial information or condition, ownership, addresses, business locations, telephone, contact information, and other matters.
10. **Security Agreement.** In the event this application is approved, as collateral security for the prompt and complete payment and performance of all of Customer's present or future indebtedness, obligations and liabilities to Sysco (the "Obligations"), Customer hereby grants to Sysco a continuing security interest in, and mortgage to, to the following (the "Collateral"): all (i) goods, including, without limitation, all goods now or hereafter delivered on credit to Customer pursuant to this Credit Agreement, and more fully described on invoices issued to Customer by Sysco, (ii) inventory, (iii) equipment; (iv) Instruments, (v) chattel paper, (vi) documents, (vii) accounts, (viii) accounts receivable, (ix) general intangibles, (x) deposit accounts, (xi) investment property, and (xii) payment intangibles in which Customer now has or hereafter acquires any right or interest, and the proceeds, insurance proceeds and products thereof, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto.
11. **Financing Statements.** Customer hereby irrevocably authorizes Sysco at any time, and from time to time, to file in any filing office in any Uniform Commercial Code ("UCC") jurisdiction any initial financing statements describing the Collateral as all assets of Customer or language of similar effect and any continuation statements or amendments thereto. Customer also ratifies its authorization for Sysco to have filed in any UCC jurisdiction, any like initial financing statements, or continuation statements, or amendments, if filed before the date of this Credit Agreement.
12. **Events of default.** Each of the following constitutes an "Event of Default": (a) not paying or performing all or any part of the Obligations when due; (b) any representation or warranty made or deemed made by Customer, or any guarantor of the Obligations (each a "Guarantor" and together with Customer, the "Obligated Parties"), in this Credit Agreement or in any related document shall be false, misleading, or erroneous in any material respect when made or deemed to have been made; (c) any Obligated Party shall suspend or discontinue its business operations, or shall generally fail to pay its debts as they mature, or shall file a petition commencing a voluntary case concerning any Obligated Party under any chapter of the United States Bankruptcy Code; or any involuntary case shall be commenced

against any Obligated Party under the United States Bankruptcy Code; or any Obligated Party shall become Insolvent (howsoever such insolvency may be evidenced); (d) any Obligated Party, shall fail to pay when due any principal of or interest on any debt (other than the Obligations), or the maturity of any such debt shall have been accelerated, or any event shall have occurred that permits any holder of such debt to accelerate the maturity thereof; (e) this Credit Agreement or any related documents shall cease to be in full force and effect or enforceability thereof shall be contested by any Obligated Party or any Obligated Party shall deny that it has any further liability under this Credit Agreement or any related documents, or any lien created by this Credit Agreement shall for any reason cease to be a valid, first priority perfected lien upon any of the collateral purported to be covered thereby; or (f) the death or incapacity of any Guarantor). Upon an Event of Default, Sysco may without notice terminate Customer's credit privileges under this Credit Agreement or declare the Obligations or any part thereof to be immediately due and payable, or both, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, protest, or other formalities of any kind, all of which are hereby expressly waived by Customer; provided, however, that upon the occurrence of an Event of Default under clause (e) above, the Customer's credit privileges shall automatically terminate, and the Obligations shall become immediately due and payable. In each case without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, protest, or other formalities of any kind, all of which are hereby expressly waived by Customer. In addition to the foregoing, if any Event of Default shall occur and be continuing, Sysco may exercise all rights and remedies available to it in law or in equity, including, all the remedies of a secured party under the UCC, under this Credit Agreement, or otherwise. Reasonable notification of the time and place of any public sale of the Collateral, or reasonable notification of the time after which any private sale or other intended disposition of the Collateral is to be made, shall be sent to Customer at the address provided in this application and to any other person entitled to notice under the UCC; provided that, if any of the Collateral threatens to decline speedily in value or is of the type customarily sold on a recognized market, Sysco may sell or otherwise dispose of the Collateral without notification, advertisement, or other notice of any kind. It is agreed that notice sent or given not less than five (5) business days prior to the taking of the action to which the notice relates is reasonable notification.

13. **Severability.** Each and every provision of the Agreement is severable from any and all other provisions of this Agreement. In the event that any provision of this Agreement is held to be invalid, the other provisions shall continue in full force and effect, and the offending provision, to the extent practicable, shall be reformed so as to achieve its intended purpose.

14. **Other provisions.** This Agreement is binding upon Sysco and Customer and their respective heirs, successors, assigns, representatives and survivors and shall inure to the benefit of Sysco, its successors and assigns. I (We) certify that this request is for the extension of credit for business purposes only and is not intended for the extension of credit for personal, family or household purposes.

15. **Notice to Sysco.** Any notices that Customer provides to Sysco regarding this Credit Agreement must be in writing and directed to the attention of Sysco's credit department manager at the company and address specified below:

Sysco Sacramento, Inc.  
7062 Pacific Avenue  
Pleasant Grove, CA, 95668

**Notice for non-trade customers only.** This notice is for applicants who have not requested trade credit from Sysco. If this application is not fully approved or if any other adverse action is taken, the applicant has the right to request a statement of specific reasons for such action within 60 days of Sysco's notification of such adverse action. Sysco must then provide the statement within 30 days of applicant's request. An applicant's request for a statement of specific reasons should be directed to: Sysco Credit Department, 7062 Pacific Avenue, Pleasant Grove, CA, 95668. The Federal Equal Credit Opportunity Act prohibits creditors from discrimination against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance programs; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning the creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

ACCEPTANCE OF THIS APPLICATION DOES NOT INDICATE AN OFFER OF TERMS.

THE PERSON EXECUTING THIS AGREEMENT HAS AUTHORITY TO BIND THE CUSTOMER AND IS AUTHORIZED BY THE CUSTOMER TO ENTER INTO THE CREDIT APPLICATION TERMS AND CONDITIONS.

LEGAL NAME OF COMPANY (CORPORATE, PARTNERSHIP OR PROPRIETORSHIP NAME):

DBA NAME (SHIP TO NAME)

BY AUTHORIZED AGENT: (PRINTED NAME & TITLE)

SIGNATURE

DATE

### AUTHORIZATION FOR CREDIT REPORT

The undersigned is executing this Authorization for Credit Report individually for the purpose of authorizing Sysco to obtain a consumer credit report from time to time on the undersigned individual(s) through credit and consumer reporting agencies or other sources, in order to further evaluate the creditworthiness of such individual in connection with the credit evaluation process and the proposed extension of business credit to the Applicant. The undersigned, as an individual, hereby knowingly consents to the use of such credit report in accordance with the federal fair credit reporting act as contained in 15 U.S.C.1681, ET SEQ, as amended from time to time.

PRINT NAME

SIGNATURE

DATE

For Sysco's use only

Notwithstanding the signature below of a sales representative, evidencing only the optional review of the foregoing, the credit department of Sysco shall in no way be bound thereby to act upon this application or extend credit to the Applicant.

SALES REPRESENTATIVE NAME

SIGNATURE

DATE

## INDIVIDUAL PERSONAL GUARANTY

1. **Purpose and parties.** In this guaranty, Sysco has the same meaning set forth in Sysco's Terms and Conditions above (as the same may be renewed, extended, amended or restated from time to time, the "Credit Agreement"). In this Guaranty "Customer" means the Individual or Business Entity Applicant set forth immediately above the signature blocks hereto. "Guarantor" means each signing below, who, by executing this guaranty, represents that he has a personal financial interest in Customer and reasonably anticipates receiving a direct or indirect benefit from any credit provided by Sysco to Customer from time to time. To induce Sysco to enter into the Credit Agreement and for value received, Guarantor personally guarantees the prompt and punctual payment and performance when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, of any and all of Customer's obligations, indebtedness and liabilities of every kind, nature and character, direct or indirect, liquidated or unliquidated, and whether for principal, interest, premiums, fees, indemnities, damages, costs, expenses or otherwise to Sysco at any time created or arising, whether matured or contingent, including, without limitation, all liabilities under the Credit Agreement (including all renewals, extensions, amendments, refinancings and other modifications thereof and all costs, attorneys fees and expenses incurred by Sysco in connection with the collection or enforcement thereof, and including all interest that accrues upon such liabilities and obligations, including interest as set forth in Section 3 of the Credit Agreement and interest that accrues after the commencement by or against Customer of any proceeding under any applicable debtor relief laws) (the "Guaranteed Obligations"). This is an absolute, irrevocable, unconditional and continuing guaranty of payment, not a guaranty of collection, and Sysco may enforce Guarantor's obligations hereunder without first suing, or enforcing its rights and remedies against Customer or any other obligor or collecting any present or future collateral security for the Guaranteed Obligations.

2. **Notices.** Any notices that Guarantor provides to Sysco must be in writing and directed to the attention of Sysco's credit manager at the address specified in the Credit Agreement.

3. **Waivers and agreements.** Guarantor waives (a) except as expressly required hereby, promptness, diligence, notice of any default under the Guaranteed Obligations, notice of acceleration or intent to accelerate, demand for payment, notice of acceptance of this guaranty, presentment, notice of protest, notice of dishonor, notice of sales to Customer or the incurring by Customer of additional indebtedness, notice of any suit or other action by Sysco against Customer or any other person, any notice to any party liable for the obligation which is the subject of the suit or action, and all other notices and demands with respect to the Guaranteed Obligations and this guaranty; (b) any right to revoke this guaranty with respect to future indebtedness; (c) any right to require Sysco to do any of the following before Guarantor is obligated to pay the Guaranteed Obligations or before any Beneficiary may proceed against Guarantor: (i) sue or exhaust remedies against Customer and other guarantors or obligors, (ii) sue on an accrued right of action in respect of any of the Guaranteed Obligations or bring any other action, exercise any other right, or exhaust all other remedies, or (iii) enforce rights against Customer's assets or any collateral pledged by Customer to secure the Guaranteed Obligations; (d) any right relating to the timing, manner, or conduct of Sysco's enforcement of rights against Customer's assets or the collateral pledged by Customer to secure the Guaranteed Obligations; (e) if Guarantor and Customer (or a third-party) have each pledged assets to secure the Guaranteed Obligations, any right to require Sysco to proceed first against the other collateral before proceeding against collateral pledged by Guarantor; (f) (i) any principles or provisions of law, statutory, or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, and (iii) any requirement that Sysco protect, secure, perfect or insure any security interest or lien or any property subject thereto; (g) if applicable, each of the foregoing rights or defenses regardless whether they arise under (i) Section 43.001-005 of the Tex. Civ. Prac. & Rem. Code, as amended, (ii) Section 17.001 of the Texas Civil Practice and Remedies Code, as amended, (iii) Rule 31 of the Texas Rules of Civil Procedure, as amended, or (iv) common law, in equity, under contract, by statute, or otherwise; and (h) if applicable, any and all rights under Sections 51.003, 51.004 and 51.005 of the Texas Property Code, as amended.

4. **Obligations Not to be Diminished.** Guarantor further agrees that its obligations under this guaranty shall not be released, discharged, diminished, impaired, reduced, or affected for any reason or by the occurrence of any event, including, without limitation, one or more of the following events, whether or not with notice to or the consent of Guarantor: (a) the taking or accepting of collateral as security for any or all of the Guaranteed Obligations or the release, surrender, exchange, or subordination of any collateral now or hereafter securing any or all of the Guaranteed Obligations; (b) any partial release of the liability of Customer, Guarantor or any other obligor, or the full or partial release of Customer or any other guarantor or obligor from liability for any or all of the Guaranteed Obligations; (c) any disability of Customer, or the dissolution, insolvency, or bankruptcy of Customer,

or any other guarantor, or any other party at any time liable for the payment of any or all of the Guaranteed Obligations; (d) any renewal, extension, modification, waiver, amendment, or rearrangement of any or all of the Guaranteed Obligations or any instrument, document, or agreement evidencing, securing, or otherwise relating to any or all of the Guaranteed Obligations; (e) any adjustment, indulgence, forbearance, waiver, or compromise that may be granted or given by Sysco to Customer, Guarantor, or any other party ever liable for any or all of the Guaranteed Obligations; (f) any neglect, delay, omission, failure, or refusal of Sysco to take or prosecute any action for the collection of any of the Guaranteed Obligations or to foreclose or take or prosecute any action in connection with any instrument, document, or agreement evidencing, securing, or otherwise relating to any or all of the Guaranteed Obligations; (g) the unenforceability or invalidity of any or all of the Guaranteed Obligations or of any instrument, document, or agreement evidencing, securing, or otherwise relating to any or all of the Guaranteed Obligations; (h) any payment by Customer or any other party to Sysco is held to constitute a preference under applicable bankruptcy or insolvency law or if for any other reason Sysco is required to refund any payment or pay the amount thereof to someone else; (i) the settlement or compromise of any of the Guaranteed Obligations; (j) the non-perfection of any security interest or lien securing any or all of the Guaranteed Obligations; (k) any impairment of any collateral securing any or all of the Guaranteed Obligations; (l) the failure of Sysco to sell any collateral securing any or all of the Guaranteed Obligations in a commercially reasonable manner or as otherwise required by law; (m) any change in the corporate existence, structure, or ownership of Customer; or (n) any other circumstance which might otherwise constitute a defense available to, or discharge of, Customer or Guarantor.

5. **Subrogation.** Until the Guaranteed Obligations have been paid, in full, Guarantor hereby covenants and agrees that it shall not assert, enforce, or otherwise exercise (a) any right of subrogation to any of the rights, remedies or liens of Sysco or any other beneficiary against Customer or its affiliates or any other guarantor of the Guaranteed Obligations or any collateral or other security, or (b) unless such rights are expressly made subordinate to the Guaranteed Obligations (in form and upon terms acceptable to Sysco) and the rights or remedies of Sysco under this guaranty and the Credit Agreement, any right of recourse, reimbursement, contribution, indemnification, or similar right against Customer or its affiliates or any other guarantor of all or any part of the Guaranteed Obligations.

6. **Termination.** This guaranty is a continuing and irrevocable guaranty of all Guaranteed Obligations. No termination of this guaranty shall be affected by the death of Guarantor. This guaranty shall be effective regardless of any subsequent incorporation, reorganization, merger or consolidation of the Customer, change of partners, change of name or any other change in the composition, nature, personnel or location of Customer whatsoever.

7. **Consent to Sysco's Acts.** Guarantor agrees that Sysco may, at any time and from time to time, and without notice to Guarantor, make any agreement with Customer or with any other person or entity liable on any of the Guaranteed Obligations, for the extension, renewal, payment, compromise, discharge or release of the Guaranteed Obligations (in whole or in part), or for any modification or amendment of the terms thereof or of any instrument or agreement evidencing the Guaranteed Obligations, all without in any way impairing, releasing, discharging or otherwise affecting the obligations of Guarantor under this guaranty. Further, Guarantor consents to the taking of, or failure to take, any action that might in any manner or to any extent vary the risks of Guarantor under this guaranty or which, but for this provision, might operate as a discharge of Guarantor.

8. **Insolvency of Customer.** This guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any portion of the Guaranteed Obligations is revoked, terminated, rescinded or reduced or must otherwise be restored or returned upon the insolvency, bankruptcy or reorganization of Customer or any other person or entity or otherwise, as if such payment had not been made and whether or not Sysco is in possession of or has released this guaranty and regardless of any prior revocation, rescission, termination or reduction.

9. **Financial Condition of Guarantor.** The liability of Guarantor hereunder shall, at the option of Sysco, without notice, become immediately fixed and enforceable for the full amount thereof, whether then due or not due, as though all of the Guaranteed Obligations had become past due in the event that Guarantor shall make an assignment for the benefit of his/her creditors or a composition with creditors, shall be unable or admit in writing his/her inability to pay, or shall generally fail to pay, his/her debts as they mature, shall file a petition commencing a voluntary case concerning Guarantor under any chapter of Title 11 of the United States Code entitled "Bankruptcy"; or an involuntary case shall be commenced against Guarantor under any such chapter and relief is ordered against him or the petition is controverted but is not dismissed within sixty (60) days after the commencement of such case. In the event that Guarantor should breach or fail to timely perform any provisions of this guaranty, Guarantor shall, immediately upon demand by Sysco, pay Sysco all

costs and expenses (including court costs and reasonable attorneys' fees) incurred by Sysco in the enforcement hereof or the preservation of Sysco's rights hereunder. The covenant contained in this Paragraph 9 shall survive the payment of the Guaranteed Obligations.

10. **Credit Information.** Guarantor authorizes Sysco to investigate Guarantor's credit and business affairs. Guarantor agrees that Sysco may request consumer reports and other available credit reports about Guarantor in connection with this application, when Sysco is reviewing, updating or collecting credit from the Customer or Guarantor in the future, and as otherwise permitted by applicable law. Upon Guarantor's request, Sysco will inform Guarantor if a consumer report was requested and the name and address of any reporting agency that furnished any such consumer report.

11. **Payment and performance.** Payment is due at the physical location of Sysco specified in the Credit Agreement or at such other address as Sysco may designate in writing from time to time. In each instance, Sysco's rights and remedies under this guaranty, and amounts collected hereunder, are subject to and automatically constrained by applicable law.

12. **No Waiver.** No failure by Sysco to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy or power hereunder preclude any other or further exercise thereof or the exercise of any other right. The unenforceability or invalidity of any provision of this guaranty shall not affect the enforceability or validity of any other provision hereon.

13. **Condition of Customer.** Guarantor acknowledges and agrees that he/she has the sole responsibility for, and has adequate means of, obtaining from Customer such information concerning the financial condition, business and operations of Customer as Guarantor requires, and that Sysco has no duty, and Guarantor is not relying on Sysco at any time, to disclose to Guarantor any information relating to the business, operations or financial condition of Customer. Guarantor represents and warrants as follows: (a) Guarantor has the power and authority and legal right to execute, deliver, and perform its obligations under this guaranty and this guaranty constitutes the legal, valid, and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms, except as limited by bankruptcy, insolvency, or other laws of general application relating to the enforcement of creditor's rights; (b) Guarantor has received or will receive direct or indirect benefit from the making of this Guaranty and the creation of the Guaranteed Obligations; (c) the value of the consideration received and to be received by Guarantor hereunder is reasonably worth at least as much as the liability and obligation of Guarantor hereunder; (d) that Sysco has made no representations to Guarantor in order to induce Guarantor to execute this guaranty; (e) the execution, delivery, and performance by Guarantor of this guaranty do not and will not violate or conflict with any law, rule, or regulation or any order, writ, injunction, or decree of any court, governmental authority or agency, or arbitrator and do not and will not conflict with, result in a breach of, or constitute a default under, or result in the imposition of any lien upon any assets of Guarantor pursuant to the provisions of any Indenture, mortgage, deed of trust, security agreement, franchise, permit, license, or other instrument or agreement to which Guarantor or its properties are bound, and (f) no authorization, approval, or consent of, and no filing or registration with, any court, governmental authority, or third party is necessary for the execution, delivery, or performance by Guarantor of this guaranty or the validity or enforceability thereof.

14. **Governing law; forum for disputes.** The parties choose the law of the state specified in the Credit Agreement to govern all aspects of this guaranty and all transactions between them, without regard to the conflicts of law provisions of that state. They designate the federal and state courts of that state as the exclusive place of venue and jurisdiction for any dispute between them; and Guarantor waives any right they may have to transfer or change venue regarding Guarantor's obligations to Sysco.

15. **Other provisions.** This guaranty is binding upon Guarantor and Guarantor's heirs, successors, assigns, representatives and survivors, and inures to the benefit of Sysco. This guaranty may be assigned by Sysco without notice to Guarantor. If this guaranty is executed by more than one person, each person's obligations as a Guarantor hereunder shall be joint and several and all references to the singular are considered to include the plural.

16. **Amendments.** No provision of this guaranty may be waived, amended, supplemented or modified, except by a written instrument executed by Sysco and Guarantor making specific reference to the change to be made, and any attempted waiver, amendment, supplement or modification hereof, except by such a written instrument, shall be deemed null and void and of no effect.

17. **WAIVER OF JURY TRIAL; FINAL AGREEMENT.** TO THE EXTENT ALLOWED BY APPLICABLE LAW, GUARANTOR AND SYSCO EACH WAIVE TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING ON OR ARISING OUT OF THIS GUARANTY. THIS GUARANTY REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES.

LEGAL NAME OF COMPANY (CORPORATE, PARTNERSHIP OR PROPRIETORSHIP NAME):

DBA NAME (SHIP TO NAME)

PRINT NAME OF GUARANTOR

SIGNATURE

DATE

PRINT NAME OF GUARANTOR

SIGNATURE

DATE

PRINT NAME OF SYSCO SALESPERSON WITNESSING THIS DOCUMENT

SIGNATURE

DATE

USE OF A CORPORATE TITLE SHALL IN NO WAY LIMIT THE PERSONAL LIABILITY OF THE PERSONAL GUARANTEE SIGNATORY

## UNIFORM SALES & USE TAX CERTIFICATE—MULTIJURISDICTION

The below-listed states have indicated that this form of certificate is acceptable, subject to the notes on pages 2-4. The issuer and the recipient have the responsibility of determining the proper use of this certificate under applicable laws in each state, as these may change from time to time.

Issued to Seller: \_\_\_\_\_

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

I certify that:

Name of Firm (Buyer): \_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

is engaged as a registered

Wholesaler

Retailer

Manufacturer

Seller (California)

Lessor (see notes on pages 2-4)

Other (Specify) \_\_\_\_\_

and is registered with the below listed states and cities within which your firm would deliver purchases to us and that any such purchases are for wholesale, resale, ingredients or components of a new product or service<sup>1</sup> to be resold, leased, or rented in the normal course of business. We are in the business of wholesaling, retailing, manufacturing, leasing (renting) the following:

Description of Business: \_\_\_\_\_

General description of tangible property or taxable services to be purchased from the seller: \_\_\_\_\_

State	State Registration, Seller's Permit, or ID Number of Purchaser	State	State Registration, Seller's Permit, or ID Number of Purchaser
AL <sup>1</sup>	_____	MO <sup>16</sup>	_____
AR	_____	NE <sup>17</sup>	_____
AZ <sup>2</sup>	_____	NV	_____
CA <sup>3</sup>	_____	NJ	_____
CO <sup>4</sup>	_____	NM <sup>4,18</sup>	_____
CT <sup>5</sup>	_____	NC <sup>19</sup>	_____
DC <sup>6</sup>	_____	ND	_____
FL <sup>7</sup>	_____	OH <sup>20</sup>	_____
GA <sup>8</sup>	_____	OK <sup>21</sup>	_____
HI <sup>4,9</sup>	_____	PA <sup>22</sup>	_____
ID	_____	RI <sup>23</sup>	_____
IL <sup>4,10</sup>	_____	SC	_____
IA	_____	SD <sup>24</sup>	_____
KS	_____	TN	_____
KY <sup>11</sup>	_____	TX <sup>25</sup>	_____
ME <sup>12</sup>	_____	UT	_____
MD <sup>13</sup>	_____	VT	_____
MI <sup>14</sup>	_____	WA <sup>26</sup>	_____
MN <sup>15</sup>	_____	WI <sup>27</sup>	_____

I further certify that if any property or service so purchased tax free is used or consumed by the firm as to make it subject to a Sales or use Tax we will pay the tax due directly to the proper taxing authority when state law so provides or inform the seller for added tax billing. This certificate shall be a part of each order which we may hereafter give to you, unless otherwise specified, and shall be valid until canceled by us in writing or revoked by the city or state.

Under penalties of perjury, I swear or affirm that the information on this form is true and correct as to every material matter.

Authorized Signature: \_\_\_\_\_  
(Owner, Partner or Corporate Officer)

Title: \_\_\_\_\_

Date: \_\_\_\_\_





Reviewed by:  City Administrator  
 City Attorney

Motion only  
 Public Hearing  
 Resolution  
 Ordinance  
 Information

**Submitted by:** Jared G. Hancock. City Administrator

**Action Date:** March 19, 2014

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** Approving and authorizing the Mayor to execute agreement with Tammy Wheeler for Golf Course Concessions

**PRESENTED BY:** Jared G. Hancock, City Administrator

**SUMMARY:** In conjunction with the Golf Course subcommittee, staff negotiated a concession agreement with Tammy Wheeler to operate the Diamond Mountain Golf Course Bar and Grill for the 2014 golf season.

**FISCAL IMPACT:** \$12,600

**ACTION REQUESTED:** Motion to approve and authorize the Mayor to execute agreement with Tammy Wheeler for Golf Course Restaurant

**ATTACHMENTS:** Agreement for Concession Services

# Diamond Mountain Bar and Grill Concession Agreement

This AGREEMENT, is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2014, by and between the CITY OF SUSANVILLE a municipal corporation, (hereinafter referred to as the "City"), and TAMMY WHEELER a private and self-employed individual (hereinafter referred to as the "Operator").

## **I. Concession Granted**

The City accepts the Operator's proposal that she be given the exclusive right to operate all food and beverage concessions at the at the Diamond Mountain Golf Course Bar and Grill and Pro Shop located at 470-835 Circle Drive, Susanville and as shown in "Exhibit A" including the operation of a mobile concession cart on the Golf Course. The Operator shall also have the exclusive right to sell concessions for all tournaments and events held at the Golf Course. At the request of the tournament / event organizers, alcoholic beverage prices may be increased during the event with the increased margin being provided to the event organizers. This agreement shall not include non golf course related events which have occurred from time to time at Lake Emerson and catering associated with the rental of the Old Club House located on Wingfield Road. If the Operator is requested, and agrees to provide concession services for an event at the Old Club House, such concessions will be bound by the terms of this agreement. This agreement does not permit the Operator to operate any other type of business from the premises. Operator shall not place or cause to be placed, any equipment or other furniture or fixtures upon the premises without prior consent of the City. Operator shall not incur any liability on behalf of the City.

## **II. Operator Contractual Duties**

1. Bar and Grill shall be open between the hours of 10 am and 5 pm, 7 days per week during the golf season (typically between March 31<sup>st</sup> and November 30<sup>th</sup>) with extended hours at the Operators discretion with operations after 9 pm requiring City approval due to the residential character of the surrounding neighborhood.
2. City accepts Operator's proposal that she shall be responsible for coordinating the preparation of continental breakfast style concessions to be available at the pro shop prior to course opening.
3. City accepts Operator's proposal that she is obtaining and during the life of this Agreement, will maintain a Type 47 License from the California Department of

Alcoholic Beverage Control. City also accepts Operator's proposal that said licenses shall be surrendered and transferred free of charge to any subsequent operator.

4. City accepts Operator's proposal that Operator will be responsible for coordinating day to day concession operations with a contribution of at least forty direct service hours per week and that Operator will prepare marketing and advertising materials, provide food handling and customer service training to all Bar and Grill staff and that Operator will schedule, plan and cater special events and tournaments. City also accepts Operator's proposal that she will perform daily close of operations including accounting for all sales in accordance with city policies. Operator understands that City cannot accept her proposal for this contract concession without Operator assisting City in the following of accepted municipal accounting practices.
5. City accepts Operator's proposal that her operations will involve obtaining all appropriate permits and licenses during the course of operation of the concession.
6. City accepts Operator's proposal that she will maintain complete list of menu items including price and that all pricing shall be based on providing a value product at a price comparable to area restaurants and golf course concessions.
7. City accepts Operator's proposal that she will order and maintain appropriate product inventories and a process of tracking inventories on a monthly basis.
8. City accepts Operator's proposal that she will maintain the facilities, including restrooms in a safe and sanitary manner and ensure that any conditions that are hazardous or potentially dangerous are promptly brought to the attention of the City Administrator.
9. City accepts Operator's proposal that she shall not permit any illegal activities to be conducted upon the premises and shall remove or have removed any individual that is conducting themselves in a disorderly or inappropriate manner, calling upon the assistance of peace officers if necessary to assist in maintaining peaceful conditions.
10. City accepts Operator's proposal that staff supplied by the Operator shall be hired in compliance with all appropriate labor laws and due to the fact that Operator is an independent contractor will sign an acknowledgement of their employment by Operator upon their employment by Operator.

11. City accepts Operator's representation that she will be solely responsible for payment of all Self Employment taxes based upon the contract payments from City as hereinafter outlined.

### **III. City Duties Under Agreement**

1. Provide restaurant facilities including basic supplies, materials and equipment needed for operation upon execution of this agreement based upon Operator's inspection of the premises. City will provide the funds and purchase approved items, restaurant equipment, materials, supplies and food and non alcoholic beverage inventories. All such items shall remain the property of the City.
2. Maintain all utilities, licenses, insurances, taxes and other expenses associated with the facilities.
3. At the operators request provide additional staff to assist during peak operating times.

### **IV. Term**

This AGREEMENT shall commence upon execution and shall continue until December 31, 2014. Any extension will require the approval of the City and the Operator.

### **V. Payment**

In return for these services City shall compensate Operator \$16,600 in U.S currency with \$600 to be paid at contract signing for concession start up costs and the remainder to be paid in \$2,000 monthly increments for services rendered beginning in April 2014 with the final payment in November 2014. In addition to this compensation the Operator will be entitled to 50 percent of the net proceeds for all concession activities. Net proceeds shall mean the profit after the deduction of all direct concession operating costs including but not limited to inventory, supplies, material, staffing, utilities, and insurance and licensing costs but shall not include liquor license costs, purchase or sale of alcohol or receipts therefrom, restaurant fixtures/equipment or Operator compensation (\$16,000) listed above. At the end of the season the operating costs shall be calculated. When a net profit is identified the City shall compensate the Operator on or before December 31st. If a dispute arises in connection with this calculation the City of Susanville Golf Course Sub-Committee

consisting of the City Administrator and two members of the City Council shall convene to review and settle the dispute.

**VI. Business and Operating Records**

Operator shall make available any and all concession related records to the City and or its auditors and shall keep all records in a form prescribed by the City.

**VII. Termination of Agreement**

This Agreement is terminable upon thirty (30) days written notice by either party. Upon termination Operator shall surrender to City all keys and equipment the property of City that may be in her possession or the possession of her agents.

**VIII. Hold Harmless Clause**

Operator agrees to protect, indemnify and save City from and against any and all liability to third parties resulting from Operator's activities on the premises.

**IX. Insurance**

Operator represents that she has or will obtain during the period of this Agreement public liability and property damage insurance issued by an insurance company acceptable to City and insuring City against loss or liability caused by or connected with Operator's activities under this Agreement in the amount of \$1,000,000 for injury or death of one or more persons and \$1,000,000 for damage or destruction of any property of others. Premium for coverage will be paid by the City and included as a direct concession operating cost as defined in Section V.

**X. No Assignment**

This Concession Agreement is based upon the personal qualifications that Operator has offered City and City's trust in Operator and therefore may not be assigned by Operator to anyone.

**XI. Sole Agreement**

This Agreement is the sole and only Agreement between Operator and City. Any disputes regarding the interpretation of this Agreement or resolution of disputes arising from this Agreement shall be presented for resolution to the City Golf Sub-Committee by City and Operator.

**XII. Attorney Fees**

If resolution by the City Golf Sub-Committee fails and any litigation is commenced between the parties to this Agreement regarding same then the prevailing party shall be entitled to an award of attorney fees.

**XIII. Notices**

Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Agreement to be served or given to either party shall be in writing and shall be deemed duly served and given when personally delivered by either party to whom they are directed, or in lieu of personal service, when deposited in the United States mail, first class postage prepaid and addressed as follows:

To City:

City Of Susanville  
66 North Lassen Street  
Susanville, CA 96130

To Operator:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Executed on \_\_\_\_\_, 2014 at Susanville, Lassen County, California.

CITY OF SUSANVILLE

OPERATOR

\_\_\_\_\_  
Rod E. De Boer, Mayor

\_\_\_\_\_  
Tammy Wheeler

ATTEST:

CITY ATTORNEY

\_\_\_\_\_  
Gwenna MacDonald, City Clerk

\_\_\_\_\_  
Peter M. Talia

**RENTAL AGREEMENT**

**BAR OPERATION**

**DIAMOND MOUNTAIN BAR AND GRILL**

This Agreement is made between the City of Susanville(City), the owner of the Diamond Mountain Golf Course and Tammy Wheeler(Operator), the Contract Operator of the Diamond Mountain Bar and Grill.

WHEREAS, Operator has applied for a Type 47 license with the State of California Department of Alcoholic Beverage Control, and

WHEREAS, City wishes to allow Operator to sell alcoholic beverages, the cost of which shall be at her sole expense and as allowed under said license and,

WHEREAS, City is not allowed to receive any rent that derives from calculation of the proceeds of sale of alcoholic beverages,

WHEREAS City expressly waives any claims to the proceeds of sale of said alcoholic beverages either directly or indirectly,

NOW THEREFORE IT IS AGREED that in connection with Operator performing the duties under the Agreement known as the *Diamond Mountain Bar and Grill Concession Agreement* she shall also be able to dispense alcoholic beverages under her Type 47 license and shall have exclusive use of the bar facility within the Diamond Mountain Bar and Grill and shall be entitled to all of the proceeds of sale of said alcoholic beverages.

In exchange for the exclusive use of the bar facility she shall pay to City the sum of \$500 per month beginning when the Type 47 License is issued and continuing until concession activities for the 2014 golf season cease.

This Agreement shall be read in conjunction with the above referenced *Diamond Mountain Bar and Grill Concession Agreement*.

Executed on \_\_\_\_\_, 2014 at Susanville, California.

CITY OF SUSANVILLE

OPERATOR

\_\_\_\_\_  
Rod E. De Boer, Mayor

\_\_\_\_\_  
Tammy Wheeler

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Gwenna MacDonald, City Clerk

\_\_\_\_\_  
Peter M. Talia, City Attorney

AGENDA ITEM NO. 13A

Reviewed by: ~~City Administrator~~  
~~City Attorney~~

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

**Submitted by:** Craig C. Platt, Public Works Director

**Action Date:** March 19, 2014

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** City of Susanville Public Works Department Update

**PRESENTED BY:** Craig C. Platt, Public Works Director

**SUMMARY:** Staff will provide an update of the operations and projects of the Public Works Department, including the Natural Gas, Water/ Geothermal, Streets/ Storm Drains, and Engineering Departments.

**FISCAL IMPACT:** None

**ACTION REQUESTED:** Information only

**ATTACHMENTS:** Detailed Public Works Department update

**City of Susanville  
Public Works Department  
Department Update**

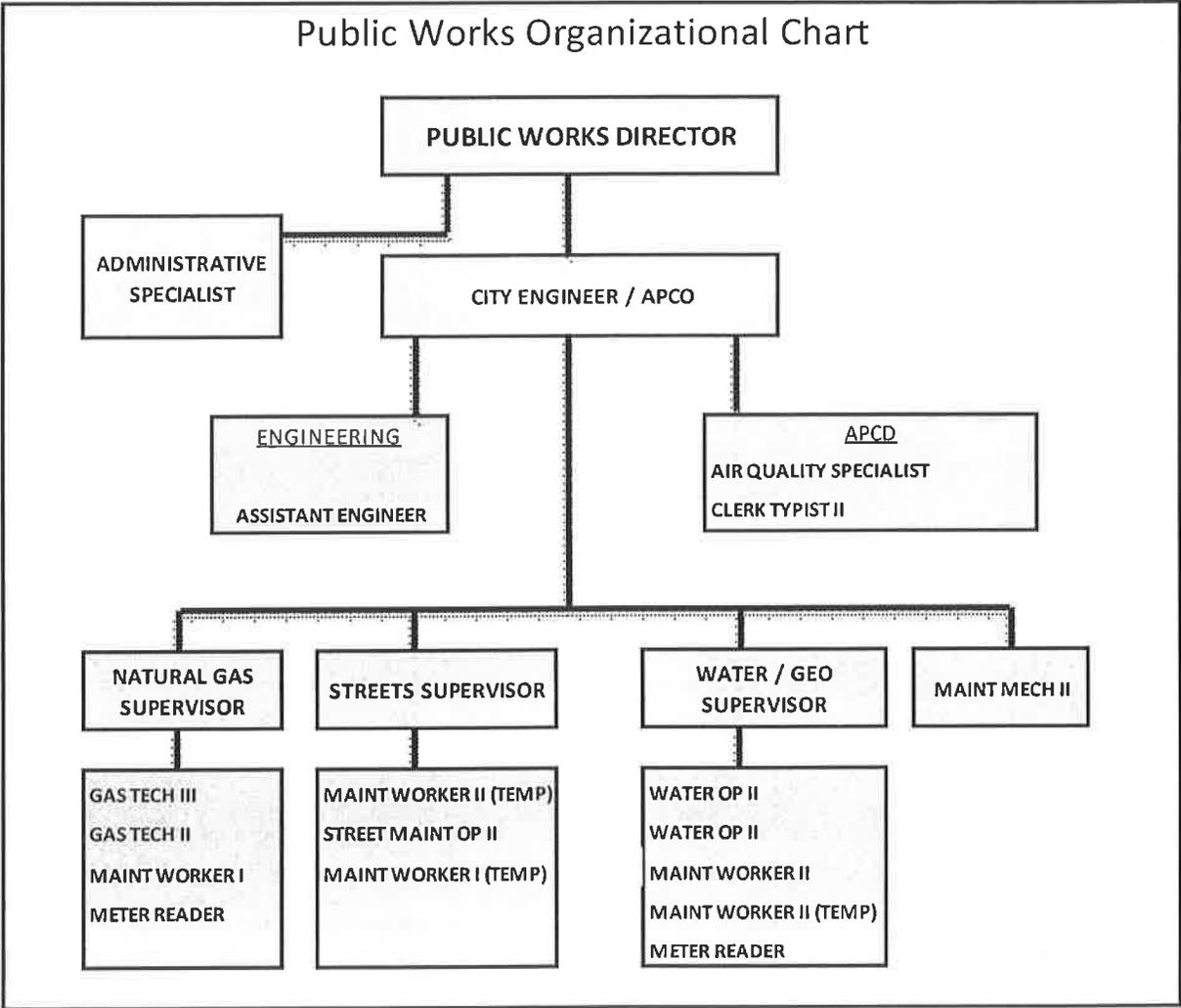
**March 19, 2014**

**Appendix**

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Personnel

22 total staff, including:  
19 full-time, permanent employees and 3 full-time, temporary employees



### Responses

The Public Works Department receives numerous calls requesting information or assistance. The nature of the service request is identified and the appropriate staff member is then dispatched. The Natural Gas, Water and Streets Departments have a designated on-call specialist who is available after regular business hours and responds immediately to any service requests.

<b>2013 Service Requests</b>		
<b>Department</b>	<b>Total Service Requests</b>	<b>On-Call Service Requests</b>
Natural Gas	780	191
Water	896	368

<b>2013 Emergency Leak Responses</b>	
Natural Gas	2
Water	80

#### **Prevention: 811 Before You Dig**

As part of our commitment to ensuring the public's safety, the Public Works Department offers information about what the public should do before digging, drilling, and construction or excavating of any kind. A call to 811 is routed to the Public Works office and staff members are then dispatched to mark natural gas lines, water lines and storm drains on the property, preventing the property owner from damaging them when they are digging.

<b>2013 Total # of Responses to 811 Calls</b>	388
---	-----

**Training**

All departments participate in continuing education in their field.

The entire Public Works Department participates in **weekly safety meetings**. Topics include: back injuries; confined spaces; hand injuries; wind, rain, and lightening; holiday safety; carbon monoxide and many more.

<b>Licenses</b>	<b># of Public Works Employees Licensed</b>
Commercial Class A Drivers License	8
Federal HAZMAT Endorsement on Class A License	2
Commercial Class A Drivers License Permit	4

**Water Department**

All employees must obtain continuing education credits in order to maintain their certifications. Russ Brown, Water Utilities Supervisor, obtained Grade 3 Distribution Certificate from the State of California. Tom Yett renewed his certification in backflow prevention. Frankie George obtained a Grade 2 Distribution Certificate and also obtained a certificate to test backflow devices. Tim Clark is in the process of completing courses at Sacramento State University in order to become eligible to take the Grade 2 certification test.

**Gas Department**

Operator Qualifications (OQ) are reviewed annually and each employee must pass OQ Testing every three years. Training topics include: emergency response, corrosion control, patrolling, odorization, purging, tapping, damage prevention, leak testing, leak survey, leak test, pressure control, service operation and maintenance, main operation and maintenance, pipe joining, and welding.

**Engineering**

The Engineering Department received Federal Aid Services training through Caltrans and Sacramento State. The areas of training included pre-construction and construction activities such as environmental design, right-of-way, construction management, and project close-out.

Public Works Department staff also participated in career trainings. 2013 Fred Pryor Seminars and Career Track Seminars included: Project Management, Administrative Assistant Conference, Excel, Exceptional Receptionist, and Mastering Quickbooks.

**Public Education/ Outreach**

The Natural Gas and Engineering Departments have participated in community safety trainings as well as school career fairs at Diamond View Middle School and Lassen High

School. The Engineering Department has met with local Boy Scout Troops to assist them in earning engineering badges.

**Fleet**

**73 total pieces of equipment and vehicles in fleet, including:  
22 vehicles, 51 pieces of equipment**

<b>Department</b>	<b># of Vehicles</b>	<b># of Pieces of Equipment</b>
Streets	6	30
Water	6	8
PW Admin/ Engineering	6	0
Gas	4	13
<b>Total:</b>	<b>22</b>	<b>51</b>

<b>Vehicle List</b>			
<b>Streets</b>		<b>PW Admin/ Eng</b>	
30	Ford F150 PU	61	Chevy 2500 PU EXT CAB
31	Chevy 2500 PU	62	Chevrolet Suburban
34	Ford F150 PU	63	Jeep Cherokee
39	Ford F350 Flatbed - Paint Rig	64	Ford Ranger PU
40	Chevy C-30 Flatbed Dump	65	Dodge Service Truck
42	Chevy Dump	68	Ford Expedition
		<b>Gas</b>	
<b>Water</b>		70	Chevy 3500 PU Service Truck
51	Ford F350 PU	71	Chevy 3500 PU Service Truck
52	Ford Ranger PU	72	Chevy 2500 PU Service Truck
54	Ford F 150 PU	75	Chevy S-10 PU
55	Chevy 2500 PU Service Truck		
56	GMC 2500 PU Service Truck		
57	Ford Ranger PU		

<b>Equipment List</b>			
<b>Streets</b>		<b>Water</b>	
130	Gorman - Rupp 6" Water Pump	150	Ingersol Rand Air Compressor
131	Gorman - Rupp 4" Water Pump	151	FX60 Vacuum Excavation System
132	Groman - Rupp 4" Water Pump	152	Trailer
137	120 Gallon AC Bitch Pot	251	Freightliner FL70 Dump Truck
138	Crafco EZ Pour 100	354	Cat 416C Backhoe 4X4 Cab
139	AMZ Magnum 6 Patching Machine	450	Big Foot Equipment Trailer
140	Target Pac III AC/Concrete Saw	451	Kraft
141	Meyer/Diamond Spreader	452	Snake Car Trailer
142	Monroe Spreader		<b>Gas</b>
145	SWS Arrow Board	170	Sullair Air Compressor (Diesel)
146	Amida Ind ODLSE25 Arrow Board	171	Sullair Air Compressor (Diesel)
148	Blaw Knox PF - 110T Paver	178	Vermeer LM42 Rock Wheel
149	Case W252 Roller	179	JT820 Drill System
230	Ford F800 Water Truck 2000Gal	270	GMC C6500 Crew Truck (Gas)
231	Inter S1900 Dump Tk - Plow	273	Ford 700 Crew Truck
232	Inter S1900 Dump Tk - Plow	370	JCB 930 2 wd Forklift (Diesel)
233	Ford F600 Dump TK - Plow (AP)	374	Cat 416D Backhoe 4X4 Cab
237	Ford F800 Sander (Diesel)	470	Enclosed Trailer
238	Ford F600 Street Sander	475	Butler Trailer 2-3" Carousel
239	Ford F700 Street Sander	477	4" Pipe Carousel Trailer
330	Johnson 4000 Street Sweeper	478	Butler LT-712 Rock Wheel
331	Elgin Street Sweeper	479	Ditchwitch Trailer Bore Rig
340	Cat 12 Motor Grader		
341	Cat 140H Motor Grader		
342	Cat 12 Motor Grader (AP)		
343	Cat IT28B Loader		
344	Cat 944A Loader		
345	Case 621B Loader		
430	SPNS Trailer Saw Trailer		
431	SCNS Trailer 3X6 Utility		

## Facilities

Public Works Department employees have been working to improve the Public Works facility at 720 South Street. Improvements have been made to the interior and exterior of the facility. Continued improvements will be made as needed.

### Annual Projects/ Responsibilities & 2013 Projects

#### **Natural Gas Department**

##### **Annual Projects/ Responsibilities:**

- The highest priority for the Natural Gas Department is to ensure compliance and expand the current customer base.
- Perform annual maintenance for City natural gas systems
- Install natural gas services for residential and commercial customers throughout the City

##### **2013 Projects:**

- Worked towards developing a 5 year plan
- Performed SCADA system updates in order to monitor the Natural Gas system more accurately and alert staff to any problems
- Installed 59 meters with gas manifolds for multi meters at Lake View Apartments
- Installed 33 meters with gas manifolds for multi meters at Parkview Garden Apartments
- **Total new natural gas meters installed in 2013: 160**

#### **Water Department**

##### **Annual Projects/ Responsibilities:**

- Responsible for maintenance of the City's water distribution system
- Administer and coordinate the emergency repair of water mains and water service repairs. The fast, timely repair of these breaks ensures water conservation; water quality and that disruptions in water service are minimized.

##### **2013 Projects:**

- Water meter replacement and radio installation project was implemented to improve the infrastructure of the City's aging water system
  - **Total water meters/radios installed in 2013: 1,587**
- Converted high pressure chlorine gas system at Bagwell Spring to a vacuum system
- Painted South Tank
- Painted roof of Upper Tank
- Well 4 - pulled motor, column and bowls to have serviced
- Set up valve exercise and treatment schedule for Cady and Bagwell Springs
- Installed 2 new booster pumps at Harris Drive booster station
- Performed SCADA system updates in order to monitor the water and geothermal systems more accurately and alert staff to any problems
- Replaced 40' of bad 6" water main in front of old Deal and Davie's with 6" C-900

- Repaired roof of Well 5
- Re-built the raw sample line at Cady Springs

### **Streets Department**

#### **Annual Projects/ Responsibilities:**

- Leaf Collection Program
- Pavement markings: street striping, crosswalks, angled parking, handicap zones, school zones, loading zones, red and green curbs, and lettering.
- **Snow Removal:** One of the most visible and vital functions administered by the Department is providing snow and ice control. The most important objectives of this department are the opening and maintenance of arterial streets, business/commuter and school bus routes and side streets.
- **Street Sweeping:** Street sweeping is effective at removing debris that collects along the streets. Sweepers collect and remove paper, refuse materials, leaves and other debris which can collect in the gutters. These types of debris are considered pollutants and threaten the storm water collection system and also block storm water inlets. Equally important, is the collection of metal particles and hazardous waste left behind from passing vehicles.
- **Asphalt maintenance:** pot hole repair; patching; sealing and installing berms; and crack sealing
- **Weed Abatement:** roadways, alleys and City lots
- Sidewalk, curb and gutter rehab: Prop 1
- Cleaning of drainage ditches
- Tree pruning
- Street sign maintenance
- Grading alleys
- Graffiti removal
- Carcass pick-up
- Traffic control for parades and Uptown events

#### **2013 Projects:**

- Enlargement of drainage pipe at Parkdale Avenue and Mark Street to accommodate a higher volume of water
- Installed 2 solar-powered street lights on Riverside Drive at the Susan River Trail crossings
- Installed drainage facilities at Memorial Park to correct flooding problems on North Street and Martha Street
- Culvert installation on South Street and Maple Court

## Fleet

### Annual Projects/ Responsibilities:

- Maintain all City vehicles by adhering to preventative maintenance schedules and making repairs as needed
- Perform inspections on commercial trucks in conformance with State standards
- Repair and maintain snow removal equipment
- Organize and maintain shop inventory of filters, parts and tools to ensure smooth operation
- Repair and maintain horizontal drilling equipment
- Manage and maintain the centralized fuel system at the Public Works facility and purchase fuel and petroleum products on an as-needed-basis.

### 2013 Projects:

- Fabricate service trucks to fit Water, Gas and Street crew needs by installing truck mounted compressors, generators and pipe reels.

## Engineering Department

### Annual Projects/ Responsibilities:

- Permit and inspect work that is to be conducted within the City right-of-way
- Review plans and specifications for development projects
- Plan, Program, and Monitor (PPM) various capital improvement projects and associated funding
- Update City standard construction details
- Update City water, gas, and street maps
- Provide design and consultation services to various City departments
- Engage in regional and local planning processes
- Serve as staff to Lassen County Air Pollution Control District

### 2013 Projects:

- STIP Rehabilitation Project: rehab 2.3 miles of road in various locations (State funding)
- Main Street water main replacement: abandon 1,500 linear feet of 2" steel line from Riverside Drive east to Walmart intersection. Connected three new 2" main lines to nine new water meters that tie into the existing customers on Main Street
- Airport Topo: establish control network horizontal and vertical, topo taxi way, and parking lot. Provided auto cad file with plans.

## Looking Ahead

### **Natural Gas**

- Ensure compliance and expand the current customer base
- Install gas services, both residential and commercial (46 pending)
- Operator Qualifications
- Leak survey
- Valve and regular maintenance
- Meter replacement
- Annual DOT Report, Annual DOE Pipeline Report, and California State Green House Gas Report
- Routine maintenance of City natural gas systems with any upgrades needed
- Line patrolling quarterly
- Odorant tests monthly
- Install radios on natural gas meters
- Distribution integrity management

### **Water**

- Finish instillation of radio meters
- Paint roof of South tank
- Install new screen box on Cady Springs pipeline
- Additional main and service line replacements
- Install flow control meters in geothermal system
- Valve maintenance program

### **Engineering**

- Water main replacement priorities:
  - Parkdale Avenue from Fifth Street to Main Street
  - Carol Street from South Lassen Street going east 450' ft
  - Arnold Street from Weatherlow Street going west to end of cul-de-sac
  - Fair Drive from Main Street to Russell Avenue
- Caltrans: Main Street side walk replacement
- 900 Skyline Road: curb and gutter sidewalk project
- Riverside Drive: trail and bridge project
- City Hall parking lot construction and survey
- Rehab projects

### **Fleet**

- Install tire service equipment in shop
- Fabricate tooling racks to better utilize space in department vehicles
- Upgrade Water Department vac system for easier and more efficient use

Reviewed by: ~~City Administrator~~  
~~City Attorney~~

Motion only  
 Public Hearing  
 Resolution  
 Ordinance  
 Information

**Submitted by:** Craig C. Platt, Public Works Director

**Action Date:** March 19, 2014

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** Draft Natural Gas Utility 5 Year Plan

**PRESENTED BY:** Craig C. Platt, Public Works Director

**SUMMARY:** The City Council requested that staff prepare a 5 year plan for the Natural Gas System. The plan will provide a brief introduction and background for the Natural Gas System and overview of priorities over the next five years of the utility.

This is the first draft being presented to the City Council for review and comment. Staff will incorporate comments, if any, and will bring back the plan at a future meeting for adoption.

**FISCAL IMPACT:** None

**ACTION REQUESTED:** Information only.

**ATTACHMENTS:** First Draft Susanville Natural Gas Utility 5 Year Plan



City of Susanville  
Natural Gas Utility  
5 Year Plan

# Susanville Natural Gas Utility 5-Year Plan

## March 2014

### Introduction

The City of Susanville proposed to build a municipal natural gas utility in 1999, owned and operated by the City, thus providing a new source of revenue for the City. This natural gas distribution system would provide previously unavailable natural gas service to the residences and businesses in Susanville. In November of 2000, the proposal was brought before public vote and Measure "W" was approved by the citizens of Susanville authorizing the City to generate \$26,000.00 in revenue bonds providing the necessary funding for the natural gas project. Construction of the Susanville natural gas distribution system began in May of 2001 and the first Susanville natural gas customer was turned-on January 16, 2001.

Natural gas service is now available to approximately 4000 potential customers, residences, multi-family units and businesses, in and surrounding Susanville. The initial natural gas business plan was simple; 1) construct the gas distribution piping system, 2) remain within budget, 3) hook up as many customers as possible. The ultimate measure of success would be the pay back the revenue bonds while providing a valuable source of revenue for the City of Susanville.

### Background

The City of Susanville natural gas distribution system consists approximately 10.75 miles of 6" steel high pressure feeder mainline and approximately 65 miles of polyethylene plastic distribution main lines and service lines. The natural gas distribution system was successfully constructed within the project budget during 2001 and 2002.

Plan for future growth: The natural gas distribution system was designed for an operating capacity significantly exceeding the initial 2001 - 2002 requirements. The 6" high pressure feeder mainline would operate at less than 15% of its full design capacity. The primary 8" PE distribution loop within the City would operate at less than 50% of its design capacity. Twelve years later, the Susanville natural gas distribution system still operates significantly below its full design capabilities providing excess capacity for future growth.

A Measure of Success: Prior to 2001, natural gas was not available in Susanville. Consumers relied on non-regulated propane, fuel oil, electricity and wood for their energy needs. By 2003, the Susanville natural gas distribution system consisted of 2182 natural gas service lines and 1783 active natural gas meters/customers. Another 399 installed service lines were pending meter sets and 89 customer service lines were in queue pending installation. Fifty four percent of the total potential customer connections available in Susanville were connected within the initial construction phase of the project. **(Numbers provided by Sunrise Engineering in early 2003)**

Project Difficulties: The initial connections were fewer than those initially projected. Coupled with higher than projected gas cost, wholesale gas costs at the California Border increased from approximately \$2.00 in 1999 to over \$12 in 2000, the highest ever to that point, the new natural gas

## Susanville Natural Gas Utility 5-Year Plan March 2014

utility struggled to succeed financially through the initial years of the project. Natural gas retail rates had to be increased and the capital investment refinanced to balance the budget and achieve financial stability.

In 2014, 12 years after the first natural gas customer connection, the City of Susanville natural gas distribution system serves almost 3000 customers, approximately 75% of the available connections, including two large volume customers, the State of California Correctional Facility and a cogeneration power plant. Hard work and more favorable wholesale natural gas costs have helped to make the natural gas utility a success. Though retail natural gas rates remain higher than we would like at the present time, the City is providing the consumers of Susanville with safe, reliable and still cost efficient natural gas service.

### **Natural Gas 5 - Year Plan: 2014 through 2018 and Beyond**

There are very distinct advantages in operating a recently constructed natural gas distribution system. Across the country, natural gas utility companies are experiencing high dollar replacement costs involving older steel and first generation plastic pipe systems. Many of these systems were constructed during the first half of the 20<sup>th</sup> century and most predate the current DOT Pipeline Safety Regulations established in 1972. The newer generation plastic piping utilized in Susanville has a life expectancy that exceeds 50 years and avoids the cathodic protection requirements facing older unprotected steel distribution systems. The Susanville high pressure steel distribution piping also has a life expectancy exceeding 50 years. Starting with the initial pipe coating, proper installation, an active cathodic protection system and ongoing routine maintenance the system should easily achieve its normal life expectancy. The Susanville natural gas distribution system now 12 years old meets and exceeds all of the DOT Minimum Pipeline Safety Standards for operations and maintenance. Based on current knowledge and technology this well maintained Susanville natural gas system will be operating safely in 2050 and probably for many years beyond.

#### Natural Gas Utility Goals:

Goal No. 1: Economic Stability

Objective: Maintaining the economic stability of the natural gas distribution system will allow the City to continue natural gas operations while providing the consumers in Susanville with cost effective energy.

Action item No. 1: Maintain favorable natural gas retail rates. Our current retail natural gas rates in is \$2.20 per therm though we are also currently providing customers with a \$0.06 / therm discount on that rate, \$2.14. This rate is about double what customers of other natural gas utilities in surrounding areas (e. g. SWG, NV Energy, PG&E) pay however, our current rates remain approximately lower than propane at \$3.49/gal, lower than fuel oil at \$3.97/gal and lower than electricity at \$0.12/kw. Natural gas remains the best energy value for the consumer.

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The Current rate discount, \$0.06/therm, is set to expire June 30, 2014 at the end of the current physical year.

Action Item No. 2: Effectively managing wholesale purchase costs for natural gas is essential in maintaining favorable retail rates. Costs vary by time of year due to load demand (higher in winter and lower in summer). Purchasing advance quantities of natural gas at times when prices are favorable, helps to maintain level retail pricing and avoid large or frequent spikes throughout the year, good for us and good for the consumers. The wholesale market can be a volatile market subject to many economic conditions outside of our local control. Working together with the gas marketing firm of IGI/BP has been a significant ingredient in our successes. Our current position is to purchase approximately 60% of our load requirements in futures, 2 years out thru 2016 and currently looking at going out to 2018. These purchases are for winter, higher gas load demand only at the current time. Summer load demand is significantly less. At current we find it favorable to purchase these summer supplies on the daily spot market. We want to maintain our competitive advantage over alternative energy and keep consumers maximizing natural gas usage by blending summer and winter costs into one steady annual rate.

Action Item No. 3: Maintaining adequate margin to sustain operations. From this margin must come all of the costs associated with operating and maintaining the natural gas system including the following:

- a. Revenue Bond Payments are currently \$1.6 million per annum, 2014/2015. Our annual payment will increase to \$1.8 million in 2016.
- b. Build and maintain sufficient revenues to support distribution system operating revenues without causing rate increases that would negatively impact the success of the utility.
  - Capital improvements
  - DOT regulatory requirements
  - General labor and overheads

Action Item No. 4: Build and maintain appropriate reserves funds to maintain the economic stability of the utility (e.g. Reserve funds)

- a. Restricted: Bond covenants require that we maintain a \$1.8 million restricted reserve for the 35 year life of the bond. The current bond will not expire until 2045.
- b. Non-restricted:
  - a. \$1.8 million bond payment
  - b. \$1.4 million operating reserve
  - c. Reserves for emergency or unexpected expenditures.

We should exercise caution before deciding on lowering or otherwise changing natural gas rates anytime in the near future or until we are certain that wholesale costs and energy rates will remain favorable.

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Goal no. 2: System and Customer Growth

Objective: To provide quality natural gas commodity and customer service, to as many customers within the city limits of Susanville and to the surrounding area as may be economically feasible. System and customer growth means load growth and should lead to growth in revenues.

Action Item No, 1: Build gas load thru traditional means:

1. Occasional residential and commercial new construction
2. Occasional residential and commercial conversions from alternate energy sources (e.g. propane, oil and electricity)
3. New planned developments (*none currently on the radar*)
4. Expansion of the distribution system to currently unserved areas surrounding Susanville.
  - a. Leavitt Lake
  - b. Johnsonville
  - c. Upper Rancheria
  - d. Richmond Rd
  - e. Leavitt Lake and Johnsonville (system loop)

**(See Appendices - Maps)**

Consideration to separate and independent rates may be appropriate for these expansion areas. This could involve permanent rates appropriate for cost recovery or possibly a temporary surcharge sufficient for cost recovery.

Action Item No 2: Alternative clean burning motor vehicle fuel e.g. Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) vehicles

1. Lassen Rural Bus fleet
2. City fleet vehicles
3. County fleet vehicles
4. State fleet vehicles
5. Federal fleet Vehicles
6. Public refueling

Currently federal funds are available for expenditure toward clean air projects. These funds are available as soon as this year to the City of Susanville and other public entities. It doesn't matter who goes first as long as we play a significant role as the one with the most to gain through increased sales. **Action items include:**

- 1. Identify possible fueling station locations**
- 2. Explore funding opportunities**

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- 3. Prepare fueling station cost benefit analysis**
- 4. Certification of approved Home Fueling Stations**

Goal no. 3: Pipeline Safety Compliance

Objective: The City of Susanville is subject to regulation by the US Department of Transportation (DOT). Compliance with Minimum Pipeline Safety Regulations 49 CFR part 191 and 192 is essential to operating a safe and reliable natural gas system. Failure to maintain compliance can lead to system or equipment failures, emergency incidents and can lead to significant civil penalties for noncompliance.

Action Item No. 1: The natural gas utility currently maintains a number of required DOT compliance plans and activities for the operations and maintenance of the system on an ongoing basis. These activities are budgeted annually and make up a significant part of the annual labor requirements and ongoing expenditures in operating the natural gas system. DOT Required Plans include the following:

1. O&M Plan (Standard Operating Procedures)
2. Emergency Response Plan
3. Operator Qualification Plan (OQ)
4. Distribution Integrity Management Plan (DIMP)
5. Public Awareness Plan

**(See Appendices - Scheduling Matrix)**

Plans are reviewed annually, and updated as may be necessary due to changes in regulations, tools and equipment, policies and procedures, and/or personnel changes. Staying current is essential. Active participation in trade association, networking with other gas utilities, and formal compliance training is essential for effective employee development and Operator Qualifications. Utilizing the services of qualified professional consultants will provide third party knowledge and expertise.

Action Item No. 2: Establish and maintain a Transmission Integrity Management Plan (TRIMP) as may become necessary. This is a DOT requirement for all Interstate (operating in multiple states) and Intrastate (operating in one state) transmission pipelines. TRIMP involves developing a written plan of action and submittal of electronic mapping records to the National Pipeline Mapping System.

Recently, DOT's western region office has implied that our feeder mainline currently being operated as part of the distribution system, may in their interpretation, be an Intrastate Transmission Pipeline requiring a TRIMP plan. On October 15, 2013, we requested a formal interpretation of Transmission Lines from Mr. Jeffery Wiese, Associate Administrator of the Pipeline and Hazardous Materials Administration, (PHMSA) U.S. Department of

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Transportation, (DOT) in Washington DC. At the writing of this Five-Year Plan we have yet to receive formal reply in this matter. We feel strongly that our feeder mainline is a distribution facility however the possibility is that PHMSA will rule that it is a mainline is a distribution facility however the possibility is that PHMSA will rule it to be transmission. This would have a significant effect on our O&M expenditures and would require us to acquire additional professional corrosion expertise, e.g. seek additional outside expertise from a National Association of Corrosion Engineers (NACE) professional and/or gain this certification internally through extensive training, testing and experience. The annual O&M budget will be affected through increased expenditure for increased maintenance activities, submittal of electronic mapping records and a separate DOT Annual Report and potentially Cathodic Protection capital expenditures. Goal No. 5, Action Item No. 6

**(See Appendices – Feeder Mainline)**

**(See Appendices – DOT Letter)**

Goal no. 4:           Staffing/Management Succession Plan

Objective:           Plan and execute an orderly management transition within gas utility department at Public Works.

The Director of Public Works among other duties manages the natural gas utility. The Natural Gas Supervisor oversees the day to day activities of the natural gas utility. The Public Works Director and Natural Gas Supervisor play a key role in the safe operation and maintenance of the gas system. It is vital that the City maintain the highest level of expertise and experience when meeting future staffing needs. Planning for a seamless transition of utility management is of paramount importance to the continued success of the utility.

Action Item No. 1:           Create a department structure providing for the future success of the natural gas utility and public works department.

1. Develop an appropriate organizational structure for long term success
2. Identify key needs to achieve success
3. Identify key individuals in the management succession
4. Hire key individuals as may be necessary for department success

**See Appendices – Org Chart**

Action Item No. 2:           Employee development, education, training and operator qualification is essential. We must hire, train and develop key utility staff. This will involve:

1. In house development including natural gas training, education, experience and operator qualification
2. Attending formal natural gas training

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3. Attending available regional and national industry association and DOT workshops and conferences
4. Formal management training, education and experience
5. Recruit individuals with appropriate background and experience

Goal no.5:           Successful Natural Gas System Operations and Maintenance:

Objective:           The ongoing operations and maintenance of the natural gas distribution system will ensure that the system meets and/or exceeds its 50-year life expectancy and ensuring the value of the City's long term investment in the natural gas distribution system. The natural gas distribution system must maintain DOT regulatory compliance (Goal No. 3 -Pipeline Safety Compliance) throughout the life of the system to avoid what can be significant Civil Penalties.

Action Item No. 1:       The Industry Standard for natural gas meters is to replace active meters at or approaching, 15 years in service. Our natural gas meters are rapidly approaching this age. To avoid incurring the expense of replacing all 3000 +/- meters in one year we plan to begin replacing these meters starting no later than 2015 and spacing the replacement out over 2 to three years. Not all of the meters will be 15 years old at the same time as they have been installed over the life of the system. Approximately 2500 to 3000 natural gas meter will be replaced, approximately 1000 per year, over the 3 years 2015 thru 2017. Future replacements will be in scheduled in smaller annual increments with costs spread more evenly.

Action Item No. 2:       Plan and schedule the completion of the electronic mater reading program.

1. Approximately 1000 have currently been converted with Electronic Radio Transmitter (ERT)
2. We will schedule the ERT conversions of the additional 1500 to 2000 to be completed by fall 2014.

Action Item No. 3:       With the transition to electronic meter reading, we will no longer be visiting each gas meter monthly for reading. This presents a concern to maintain quality installation and maintenance and long term public safety. We will plan and schedule a new meter set visual inspection program on an annual basis to ensure safety and reliability or our gas meters.

1. Visually inspect each natural gas meter once every 12 months
2. Complete 25% of the system quarterly

Action Item No. 4:       Cap & Trade – California Code of Regulations, Article 5: California Cap on greenhouse gas emissions and market-based compliance mechanisms.

The objective of this regulation is to reduce greenhouse gas, CO<sub>2</sub>, emissions in the state of California over time to 1990 levels commencing in 2013. The Susanville natural gas utility is subject

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to this regulation commencing in 2015. The governing body is the California Air Resources Board (ARB). During 2014 the utility must commence the following specific compliance steps:

1. Register with ARB
2. Create necessary accounts
3. Designate a certified, authorized representative of the utility to the ARB

Beginning in 2015 the utility must commence the following actions:

1. Report greenhouse emissions annually
2. Surrender compliance documents
3. Submit verification report annually
4. Retain records for 10 years

The City must begin this process in 2014. Currently we have no experience in this area and we have no one certified with ARB. We will need to:

1. Obtain the services of an certified professional consultant with expertise in the area
2. Secure training and certification for designated representative in compliance with this mandatory regulation by 2015.

Action Item No. 5: Establish mutual aid agreement(s) with one or more neighboring gas utility to assist with operations and maintenance activities in times of emergency, disaster or other special needs such a major interruption of service, initiation of the Utilities Emergency Response Plan and with the reestablishment of a significant number of services.

1. Requires legal agreement(s)
2. Necessitates change to our current OQ Plan

Action Item No. 6: Review our current Cathodic Protection (CP) system requirements and needs for the 6" steel feeder mainline facility. This action item may become a higher priority pending PHMSA's decision with regard to the transmission vs. distribution ruling discussed in Goal No. 3, Action Item No. 2. Eventually installing a CP rectifier(s) and deep well groundbed(s) for more active corrosion protection may be necessary. Incremental cost could be \$100,000 per rectifier. Two may be required. Also discussed Goal No. 3, Action Item 2

Action Item No. 7: Upgrade leak detection equipment technology to ensure continued public safety.

1. Purchase new instruments/technology
2. Train and qualify individuals in the proper use of the equipment

Action Item No. 8: Add new SCADA controls as system grows and expands. Upgrade monitoring controls as may be necessary.

Appendices:

- Maps
- Organizational Chart

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Scheduling Matrix  
DOT letter