

## **Gridley City Council – Regular Meeting Agenda**

Monday, May 2, 2022; 6:00 pm

Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

*“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”*

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The Public is encouraged to attend and participate in person. Comments from the public on agenda items will be accepted until 4 pm on May 2<sup>nd</sup>, 2022, via email to [csantana@gridley.ca.us](mailto:csantana@gridley.ca.us) or via the payment/document drop box at Gridley City Hall and will be conveyed to the Council for consideration.

You may view using the following link, ID, and passcode:

Webinar ID: <https://us06web.zoom.us/j/82413678160?pwd=eFNzd2RBYTh0R3dZRHB1R2dDWXEyUT09>

Passcode: 210752

**OR**

Call-in using one of the following numbers, and the above ID and passcode:

1-(253) 215-8782

1-(720) 707-2699

To make a public comment during the Community Participation Forum or during the public portion of any agenda item, use the ‘raise hand’ feature and you will be called on when it’s your turn to speak.

**CALL TO ORDER** - Mayor Johnson

**ROLL CALL**

**PLEDGE OF ALLEGIANCE** – Vice Mayor Farr

**INVOCATION** – None

**PROCLAMATION** - None

**INTRODUCTION OF NEW OR PROMOTED EMPLOYEES** - None

**COMMUNITY PARTICIPATION FORUM** - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

**CONSENT AGENDA**

1. City Council minutes dated April 18<sup>th</sup>, 2022

#### **ITEMS FOR COUNCIL CONSIDERATION**

2. FY 22/23 Budget Study Sessions Calendar
3. Informational Update - Cal Trans “State Route 99 Roadway Rehabilitation in Gridley” Presentation
4. Resolution 2022-R-013: Adopting a Debt Management Policy for the City and its Related Entities
5. Resolution 2022-R-014: Approving the Issuance of Refunding Bonds for Refinancing the City’s Former Redevelopment Agency (Successor Agency), Gridley Redevelopment Project, Tax Allocation Bonds, Series 2008A (Taxable) and Series 2008B (Tax-Exempt), Indenture of Trust, Retaining Financing Team Members, and Providing for Other Matters Properly Relating
6. Assembly Bill 2878 – Support Letter

**CITY STAFF AND COUNCIL COMMITTEE REPORTS** - *Brief updates from City staff and brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

**POTENTIAL FUTURE CITY COUNCIL ITEMS** - *(Appearing on the Agenda within 30-90 days):*

CDBG Grants Administrative Services	5/16/2022
Approve Gridley's Wildfire Mitigation Plan	5/16/2022
Approve Gridley's Utility Security Plan	5/16/2022
Edler Estates	5/16/2022
Adopt Housing Element 2022-2030	5/16/2022

#### **CLOSED SESSION –**

7. Discussion with Legal Counsel – Pursuant to Government Code 54957 to discuss a liability claim presented by Cruz Elena Santillan against the City of Gridley

**ADJOURNMENT** – adjourning to a Regular meeting on May 16<sup>th</sup>, 2022.

**NOTE 1: POSTING OF AGENDA-** This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., April 15, 2022. This agenda along with all attachments is available for public viewing online at [www.gridley.ca.us](http://www.gridley.ca.us) and at the Administration Counter in City Hall, 685 Kentucky Street, Gridley, CA.

**NOTE 2: REGARDING UNSCHEDULED MATTERS** – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.

## **Gridley City Council – Regular Meeting Minutes**

Monday, April 18, 2022; 6:00 pm

Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

*“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”*

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### **CALL TO ORDER**

**Mayor Johnson called the meeting to order at 6:00 pm.**

### **ROLL CALL**

#### **Council Members**

Present:	Johnson, Sanchez, Torres, Farr
Via Zoom:	Calderon (unable to vote)
Absent:	None
Arriving after roll call:	None

#### **Staff Present:**

Cliff Wagner, City Administrator  
Tony Galyean, City Attorney  
Rodney Harr, Chief of Police  
Elisa Arteaga, Finance Director  
Danny Howard, Electric Utility Director  
Ross Pippitt, Public Works Director

### **PLEDGE OF ALLEGIANCE**

**Councilmember Torres led the Pledge of Allegiance**

### **INVOCATION**

**Invocation provided by Deacon Dan Boeger of St. Timothy’s Episcopal Church.**

### **PROCLAMATION - None**

### **INTRODUCTION OF NEW OR PROMOTED EMPLOYEES - None**

### **COMMUNITY PARTICIPATION FORUM**

**Larry Standridge, 358 Park St, stated he would like to see texting while driving more monitored in order to make our streets safer for pedestrians.**

### **CONSENT AGENDA**

1. City Council minutes dated April 4<sup>th</sup>, 2022

**Motion to approve the consent agenda by Councilmember Torres, seconded by Vice Mayor Farr.**

**ROLL CALL VOTE**

**Ayes: Johnson, Torres, Sanchez, Farr**

**Motion Passed, 4-0**

**ITEMS FOR COUNCIL CONSIDERATION**

2. Resolution 2022-R-011: A Resolution of The City of Gridley Authorizing the Designation and Use of American Rescue Plan Act Funding Source and Appropriating Supplemental Funds Contract Award for Manuel Vierra Park – Tennis Court Rehabilitation

**City Engineer, Dave Harden, presented Resolution 2022-R-011, to use ARPA funds for the Tennis Court Rehabilitation, and to award the contract to R&R Horn Contracting.**

**Motion to approve was made by Vice Mayor Farr, seconded by Councilmember Sanchez.**

**ROLL CALL VOTE**

**Ayes: Sanchez, Farr, Johnson, Torres**

**Motion Passed, 4-0**

3. Resolution No. 2022-R-012: A Resolution of the City of Gridley to request the Butte County Board of Supervisors support to place a measure on the November 8, 2022, ballot to renew fees pursuant to Vehicle Code sections 9250.7 and 22710

**Chief of Police, Rodney Harr, presented Resolution 2022-R-012, for Council to request the Butte County Board of Supervisors support to place a measure on the November 8, 2022, ballot to renew fees pursuant to Vehicle Code sections 9250.7 and 22710.**

**Motion to approve was made by Councilmember Sanchez, seconded by Councilmember Torres.**

**ROLL CALL VOTE**

**Ayes: Sanchez, Torres, Johnson, Farr**

**Motion Passed, 4-0**

4. GASB 75 Actuarial Valuation Services Report

**Finance Director, Elisa Arteaga, requested that Council approve the proposal from Jefferson's Solutions for GASB 75 actuarial valuation, and also authorize Finance Director to prepare request for proposals for future actuarial valuation services.**

**Motion to approve was made by Councilmember Torres, seconded by Vice Mayor Farr.**

**ROLL CALL VOTE**

**Ayes: Johnson, Farr, Sanchez, Torres**

**Motion Passed, 4-0**



5. Proposal for Refinancing Former Gridley Redevelopment Agency, Gridley Redevelopment Project, Tax Allocation Bonds, Series 2008A (Taxable) and Series 2008B (Tax-Exempt)

**Administrator Wagner requested Council's approval to move forward with the refinancing of the Former Gridley Redevelopment Agency's 2008A (Taxable) and 2008B (Tax-Exempt) Tax Allocation Bonds, pursuant to the 2/24/22 refinancing proposal submitted by Bill Fawell, W. J. Fawell Co., Public Finance. Bill Fawell, James Wawrzyniak, David Fama and Mike Cavanaugh presented the refinancing plan via PowerPoint presentation.**

**Pat Coghlan had questions of accuracy of proposed plan and asked if numbers from one month could be enough evidence. Mike Cavanaugh explained the numbers were accurate, and that numbers from one month were used for consistency through presentation.**

**James Sheppard, City of Biggs, added that W. J. Fawell Co., did a great job when working with City of Biggs.**

**Motion to move forward with the refinancing plan was made by Mayor Johnson, seconded by Councilmember Torres.**

#### **ROLL CALL VOTE**

**Ayes: Johnson, Torres, Farr, Sanchez  
Motion Passed, 4-0**

#### **CITY STAFF AND COUNCIL COMMITTEE REPORTS**

**Mayor Johnson briefly spoke on his attendance at the Butte County Mosquito and Vector Control District meeting.**

**Councilmember Sanchez provided a report on her attendance at the NCPA conference in Washington D.C.**

#### **POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):**

Introduction to Housing Element Update	5/2/2022
CDBG Grants Administrative Services	5/2/2022
"Beautifying Gridley" Community Electric Box Project	5/2/2022
Cal Trans SR99 Improvement Presentation	5/2/2022
Approve Gridley's Wildfire Mitigation Plan	5/16/2022
Approve Gridley's Utility Security Plan	5/16/2022
Edler Estates	5/16/2022
Adopt Housing Element 2022-2030	5/16/2022
Stewart TPM	5/16/2022

**CLOSED SESSION - None**

## **ADJOURNMENT**

**With no further discussion, Mayor Johnson adjourned to the next regular meeting on May 2, 2022.**

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**Cliff Wagner, City Clerk**

DRAFT

## City Council Agenda Item #2

### Staff Report

**Date:** May 2, 2022

**To:** Mayor and City Council

**From:** Elisa Arteaga, Finance Director

**Subject:** FY 22/23 Budget Study Sessions Calendar

<input checked="" type="checkbox"/>	Regular
<input type="checkbox"/>	Special
<input type="checkbox"/>	Closed
<input type="checkbox"/>	Emergency

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#### Recommendation

Staff respectfully requests the City Council conduct Operating and Capital Budget Study Sessions that will allow for review, discussion, as well as consideration of public input at 6:00 pm on May 25<sup>th</sup>, 26<sup>th</sup>, 27<sup>th</sup>, 2022.

#### Background

Recently, City Council reviewed and approved mid-year budget for FY 21/22, as FY 22/23 is approaching staff would like to set the calendar for FY 22/23 for three sessions. The Finance Department has historically presented budgetary information to City Council prior to the end of the fiscal year June 30<sup>th</sup> of each year for consideration and adoption. Preparation of the budget is initiated by the Finance Department requesting information from all City departments and scheduling internal meetings to not only review the proposed requests submitted but also examine and compare against prior year audited actuals. This process allows for staff to make any necessary adjustments based on special projects, strategic analysis, acknowledge and address specific departmental challenges for the upcoming fiscal year. In the event of lengthy discussion, Council may take action to carry over a topic to the next session or proposed other alternative dates.

Staff respectfully requests City Council's confirmation for availability for the proposed dates or suggest other dates for sessions.

Wednesday, May 25<sup>th</sup>, 2022

Thursday, May 26<sup>th</sup>, 2022

Friday, May 27<sup>th</sup>, 2022

During the sessions Staff will be presenting operating and capital budgets for general and enterprise funds. The departmental budget information for the following:

- General Fund
  - Administration
  - Public Safety (Fire & Police)
  - Development (Engineering & Planning)
  - Parks and Recreation
  - Transit
  - Streets & Maintenance Districts
- Enterprise Funds
  - Water
  - Sewer
  - Electric

**Fiscal Impact**

Budget Study Sessions provide budgetary information by staff to the City Council and the public. The impact is merely staff time to prepare and organize the information. The proposed budgets reflect all projected revenues, appropriations, and may change based on findings and recommendations after sessions. Following the study sessions, the budget will be revised as recommended and presented at a future Council meeting for consideration, approval, and adoption.

**Compliance with City Council Strategic Plan or Budget Goals**

The City Council and City staff are committed to provide the best possible financial practices and the highest possible transparency regarding all financial transactions. This presentation is consistent with our ongoing effort to be responsive and transparent regarding all financial matters, as well as be congruent with best financial practices.

**ATTACHMENTS**-None

Item #3

Informational Update

Cal Trans

“State Route 99 Roadway Rehabilitation  
in Gridley” Presentation

## Draft Project Report

### *To Authorize Public Release of the Draft Environmental Document*

On Route 99

Between West Liberty Road

And 0.2 mile north of Ford Avenue

I have reviewed the right-of-way information contained in this report and the right-of-way data sheet attached hereto, and find the data to be complete, current and accurate:

*John Ballantyne*

John L Ballantyne, Chief, North Region  
Right of Way

APPROVAL RECOMMENDED:

*Christopher S Ladeas*

Christopher Ladeas, Project Manager

APPROVED:

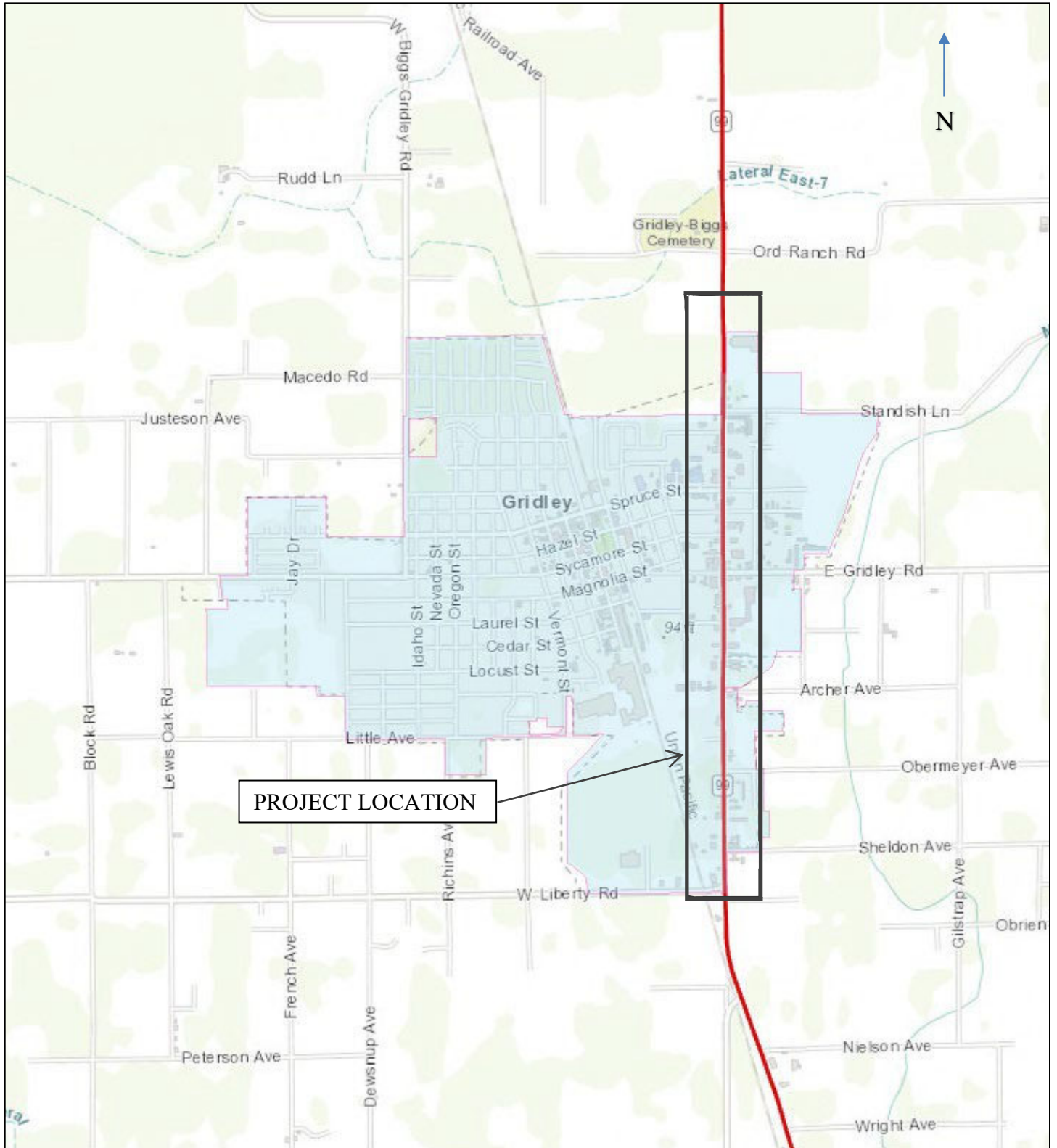
*Amarjeet S. Benipal*

Amarjeet S Benipal, District Director

*3/24/2022*

Date

## Vicinity Map



This project report has been prepared under the direction of the following registered civil engineer. The registered civil engineer attests to the technical information contained herein and the engineering data upon which recommendations, conclusions, and decisions are based.

*Jaroslav Kusz*  
REGISTERED CIVIL ENGINEER

03/15/2022  
DATE





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## 1. INTRODUCTION

### Project Description:

Caltrans, in conjunction with the City of Gridley and Butte County Association of Governments (BCAG) have partnered to develop this project. This is a pavement rehabilitation project located on State Route (SR) 99 within the City of Gridley. Other improvements include, addition and enhancement of sidewalk on the east side of SR 99, and upgrade of the non-standard curb ramps to Americans with Disabilities Act of 1990 (ADA) standards. Furthermore, it will address other highway appurtenances including upgrading drainage facilities, adding new transportation management system (TMS) elements including, bike loop detectors, closed-circuit television (CCTV) camera, street lighting and installing fiber optic conduits. A summary of project information is provided in the table below.

The proposed project is programmed into the State Highway Operation and Protection Program (SHOPP) under the program code 20.XX.201.121 - Minor Pavement Rehabilitation. It will also be funded by the City of Gridley and BCAG. The table below summarizes the key attributes of the proposed project.

<b>Project Limits</b>	<i>03-Butte-99 PM R3.1 / PM 5.0</i>	
<b>Number of Alternatives</b>	<i>2, including the “No Build” alternative</i>	
	<b>Current Cost Estimate:</b>	<b>Escalated Cost Estimate:</b>
<b>Capital Outlay Support</b>		\$4,747,000
<b>Capital Outlay Construction</b>	\$14,933,000	\$16,413,000
<b>Capital Outlay Right-of-Way</b>	\$1,552,440	\$1,661,000
<b>Funding Source</b>	<i>SHOPP Pavement 20.XX.201.121- \$11,700,00 RIP Funds from BCAG - \$3,100,000 Local Funds from City of Gridley - \$400,000</i>	
<b>Funding Year</b>	<i>2023/2024</i>	
<b>Type of Facility</b>	<i><b>PM 3.1 to 3.21 &amp; PM 4.60 to 5.01</b> Conventional Highway- 1 lane each direction with Two Way Left Turn Lane (TWLTL) <b>PM 3.21 to PM 4.60</b> Conventional Highway- 2 lanes each direction with TWLTL</i>	
<b>Number of Structures</b>	<i>0</i>	
<b>SHOPP Project Output</b>	<i>6.8 Lane Miles</i>	
<b>Environmental Determination or Document</b>	<i>CEQA - IS NEPA - CE</i>	
<b>Legal Description</b>	<i>In and near Gridley from Hollis Lane to 0.2 mile north of Ford Avenue.</i>	
<b>Project Development Category</b>	<i>5</i>	

## 2. RECOMMENDATION

Approval is recommended to authorize public circulation of the Draft Environmental Document. See Attachment C, Draft Environmental Document, for more information.

## 3. BACKGROUND

### Project History

Project Initiation Report (PIR) was approved on June 28, 2019. The preparation of the Draft Project Report and Draft Environmental Document began in July 2020.

During the PIR there were several meetings held between the Caltrans and the community:

- City Council Workgroup Meeting – May 23, 2016
- Business Roundtable- August 26, 2016
- Community Workshop #1- October 12, 2016
- October 3, 2016 through December 6, 2016 an online community survey was conducted, and 374 people responded.
- Community Workshop #2- July 19, 2017
- Consultant (MIG) finished Community Guidebook-Fall 2017

Community Priorities and Concerns are as follows:

- Reduce traffic speeds in Gridley
- Improve flow of traffic through Gridley
- Increase pedestrian safety
- Support local business
- Facilitate the movement of trucks
- Ensure appropriate maintenance of public spaces

The 2016 Automated Pavement Condition Survey (APCS) Data indicates the existing pavement exhibits distress; 6.780 lane miles of pavement are in “fair” condition and 0.796 lane miles are in “good” condition. This condition is expected to further deteriorate absent proper action.

The Culvert assessment report indicates 10 “fair” conditioned culverts and 2 “poor” conditioned culverts. “Fair” and “poor” condition culverts jeopardize the stability of the existing roadbed. Drainage systems in “fair” or “poor” conditions require rehabilitation or replacement to restore functionality.

The project area has multiple curb ramps and driveways that are not ADA compliant. This can contribute to a decrease in active transportation and limiting pedestrian connectivity along this corridor.

### Existing Facility

SR 99 within Caltrans District 3 totals 117 miles and serves as a major north-south connector to several major routes, such as I-80, I-5, and SR 70. SR 99 also serves interregional travel, north and south in the Central Valley, connecting rural communities with larger metropolitan areas, and goods are easily transported in many areas via the facility.

The project is located in the City of Gridley. SR 99 in this location has high traffic volumes and runs north and south through the project limits. The highway consists of two 12-foot lanes in each direction and a continuous TWLTL with multiple signalized intersections. The shoulders vary in width from 2 feet wide to 8 feet wide within the project limits.

There are existing sidewalks, curb and gutter and driveways on both sides of the highway at the following locations:

1. Northbound between Dollar Store and Standish Lane.
2. Southbound between Dollar Store and Spruce Street. This sidewalk is not continuous and has multiple gaps.

There are five signalized intersections within the project limits:

3. SR 99 and W Liberty Road – PM 3.13
4. SR 99 and E Gridley Road/Magnolia Street – PM 4.12
5. SR 99 and Sycamore Street – PM 4.23
6. SR 99 and Hazel Street – PM 4.31
7. SR 99 and Spruce Street – PM 4.37

The 15 non-standard curb ramps at the intersections will be replaced to meet ADA standards.

1. SR 99 and E Gridley Road/Magnolia Street – 4 curb ramps will be replaced
2. SR 99 and Sycamore Street – 3 curb ramps will be replaced
3. SR 99 and Hazel Street – 4 curb ramps will be replaced
4. SR 99 and Spruce Street – 4 curb ramps will be replaced

There are three concrete box culverts crossing SR 99 that will be extended to accommodate the Complete Streets improvements. The culverts are located as follows:

1. 250 feet south of Archer Avenue
2. Channel next to Archer Avenue
3. Channel at Standish Lane

## **4. PURPOSE AND NEED**

### **Need:**

The pavement exhibits signs of distress and deterioration resulting in poor ride quality. Complete streets elements, fiber optics, loop detection, and CCTV system are

incomplete within the project limits. Existing curb ramps and driveways do not meet current ADA standards and sidewalk facilities need to be expanded through the project limits to improve connectivity and multimodal accessibility. Current collision analysis shows that collision rates are higher than the statewide average for similar facilities. In addition, drainage throughout the project limits will need to be able to accommodate these improvements.

### **Purpose:**

The purpose of the project is to maintain the highway corridor, provide safe and serviceable facilities for the traveling public, and enhance bike and pedestrian connectivity. This will be accomplished by:

- Expanding multimodal transportation opportunities
- Creating a corridor accessible to all by updating ADA facilities
- Improving motorist and bicyclist ride quality
- Providing adequate drainage facilities
- Enhancing visual quality and safety of the corridor

#### **A. Regional and System Planning**

This project is consistent with the Caltrans 2017 Transportation Concept Report (TCR) which is a 20-year planning document that evaluates current and projected conditions along the route and communicates the vision for its development.

The City of Gridley plans to partner with Caltrans, in the future for Active Transportation Program (ATP) funding, and with Butte County Association of Governments (BCAG) for Congestion Mitigation Air Quality (CMAQ) funding, to construct additional bike and pedestrian facilities within this corridor.

#### **B. Traffic**

The Average Daily Traffic (ADT) for the project segments are shown in the tables below.

Year		Annual ADT	Peak Hour	Traffic Index
Base Year	2017	23,900	2,390	8.5
10-Year	2033	32,700	3,270	11.0
20-Year	2043	38,200	3,820	12.0

The highway has 6% of trucks with two or more axles and the directional split is 56%.

#### **C. Collision Analysis**

During the 3-year timeframe from October 1, 2017 through September 30, 2020, there were 76 collisions within project limits. Out of these collisions, 0 were fatal, 28 were injuries (37 people), and 48 were property damage only (PDO); 27 of the collisions were in the northbound direction and 49 were in the southbound direction.

Table 1 below lists the collisions and collision rates for the mainline segment of SR 99 in both directions from PM R3.1 to PM 5.0. The collision rates in the table below indicate that the Fatal + Injury and Total collision rates are higher than the statewide average for similar facilities.

Table 1.

Location	Number of Accidents				Actual Collision Rate			Average Collision Rate		
	Total	Fatal	Injury	F+I	F	F+I	Total	F	F+I	Total
SR99 PM R3.1/5.0	76	0	28	28	0.000	<b>0.70</b>	<b>1.91</b>	0.011	0.41	0.96

Table 2 below provides a breakdown of the collisions by type; Table 3 summarizes the primary collision factors.

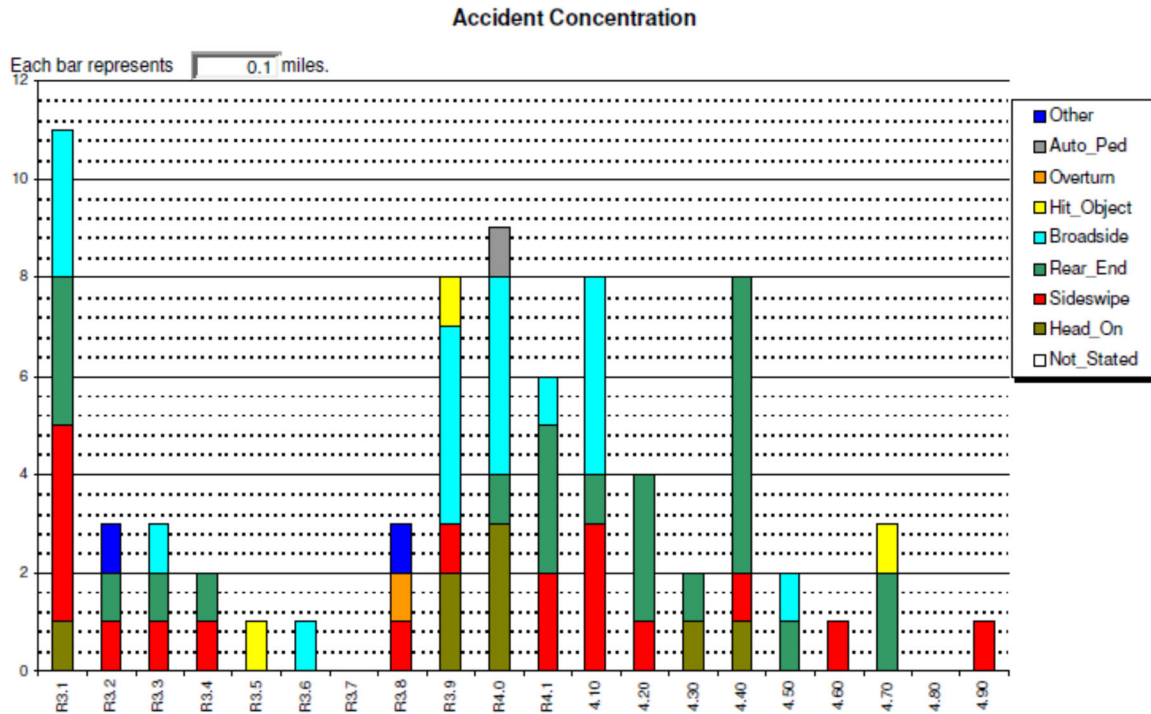
Table 2.

Collision Type	Total	% of Total
Sideswipe	18	23.7
Rear end	24	31.6
Broadside	19	25.0
Head-on	8	10.6
Hit Object	3	3.9
Overturn	1	1.3
Auto/Ped	1	1.3
Other	2	2.6
Not Stated	0	0.0
Total	<b>76</b>	<b>100</b>

Table 3.

Primary Collision Factor	Total	% of Total
Failure to Yield	21	27.6
Improper Turn	17	22.4
Speeding	15	19.7
Other Violations	15	19.7
Follow to Close	7	9.2
Influence Alcohol	1	1.3
Improper Driving	0	0.0
Other Than Driver	0	0.0
Unknown	0	0.0
Fell Asleep	0	0.0
Not Stated	0	0.0
Total	<b>76</b>	<b>100</b>

The chart below represents the collision concentration by collision type for each 0.1-mi distance.



The collision pattern identified is congestion related through a city. A review of the collision data indicates the 3 primary types of collisions as being sideswipe, broadside and rear end. The speed limit through the city of Gridley drops to 35 mph. there are approximately 11 intersections (5 of which are signalized) with a two way left turn lane running through most of the city. The highest incidences of rear end occurred near the signalized intersections, which could be contributed to the lack of right turn lanes. There are a large number of stop-controlled intersections and a high density of commercial driveways, leading to broadside collisions through this segment, as drivers turn into commercial lots from the two way left turn lane. The highest incidences of sideswipes occur where lanes drop off or where drivers turn into lots through the two way left turn lane. The collision rates are reflective of this identified pattern. In February 2022, Traffic Safety analyzed collision data from the Draft Project Report to provide a safety analysis. Three years of data were used for analysis, from October 1, 2017 to September 30, 2020. The highest concentration of rear-end collisions occur at the south end and north end of the project, where two lanes are reduced to one, and are related to congestion. As this is not a congestion relief/safety project, the safety improvements on this project include adding wearing course, enhanced crosswalks, sidewalks, street lighting and pavement delineation which will reduce these collision patterns. For example, during the Camp Fire a traffic signal was installed at Liberty Road within the current project limits to accommodate the increase of trucks. Caltrans has seen a decrease in the number of broadside, rear-end and head collisions at this location since this occurred. During the period from October 1, 2017 to September 30, 2020 there were 9 total collisions in this area. Since the signal became

operational (October 2020), only 2 collisions have occurred from October 1, 2020 to December 31, 2021, which is over a 12% decrease.

A future Road Safety Assessment is scheduled to be performed from the Sutter/Butte 99 corridor from south of Lomo Crossing in Sutter County to Rio Bonito in Butte County for continuous safety improvements. This study is expected to be completed before the end of 2022.

For more details see Attachment D – *3-year Collision Analysis and Draft Project Report - Collision Analysis*

Safety improvements on this project include:

- New enhanced crosswalk with pedestrian hybrid beacon and refuge island between Archer Avenue and Cherry Street – these safety improvements will reduce potential pedestrian crashes by 55%.
- New 8- foot sidewalk with 3-foot landscaping from W Liberty Road to Dollar General – this safety improvement will provide a potential 65% reduction in crashes involving pedestrians walking along roadways.
- Street lighting – 63 streetlights on the east side of SR 99, adjacent to new sidewalk – installing lighting at intersections and segments will reduce potential crashes up to 42%.
- New wearing course limits – wearing course will provide better traction and has a potential of reducing rear-end collisions.
- Enhanced pavement delineation – the wider edge lines are expected to reduce crashes up to 37% as a proven safety countermeasure.

## 5. ALTERNATIVES

A total of two alternatives have been considered, which are the following:

1. Alternative 1 – Street improvements
2. No Build Alternative

### 5A. Viable Alternatives

#### Alternative 1- Street improvements

This alternative would repair pavement with a 20-year design life to address pavement distress and deterioration, rehabilitate culverts, remove and replace non-standard curb ramps, and install TMS elements. The project scope includes the following work:

- 0.25 feet Rubberized Hot Mix Asphalt (RHMA) cold plane and overlay
- 0.50 feet digouts (where alligator cracking is greater than 20%)
- Place shoulder backing in locations without curb and gutter
- Construct a new 8- foot sidewalk with 3-foot landscaping from W Liberty Road to Dollar General.
- Remove existing sidewalk and construct a new 8-foot sidewalk with 3-foot landscaping from Dollar General to Standish Lane



- Install a 5-foot sidewalk with curb and gutter from Standish Lane to the existing sidewalk and curb and gutter in front of Stapleton-Spence Packing Company at the northern project limits.
- Replace existing curb ramps with ADA compliant curb ramps at the following locations:
  - SR 99 and E Gridley Road/Magnolia Street (4 curb ramps) – PM 4.12
  - SR 99 and Sycamore Street (3 curb ramps) – PM 4.23
  - SR 99 and Hazel Street (4 curb ramps) – PM 4.31
  - SR 99 and Spruce Street (4 curb ramps) – PM 4.37
- Install new drainage system from W Liberty Road to Dollar General
- Upgrade culverts by placing a liner or replace all together
- Add a new enhanced crosswalk with pedestrian hybrid beacon and refuge island – between Archer Avenue and Cherry Street
- Install five CCTV at the signalized intersections with SR 99 (one per intersection), connect with fiber optic system and provide signal interconnect cable
- Upgrade traffic signal detection
- Street lighting – install 63 streetlights on the east side of SR 99, adjacent to new sidewalk – from W Liberty Road to Standish Lane
- Install new fiber optic conduits within project limits to support future Middle Mile Improvements. Fiber optic cable will be installed by a future project.
- Install electrical conduits under proposed sidewalk for the City of Gridley use.

### Funding

Along with the programmed \$11.7 million of SHOPP, multiple agencies have partnered together to provide financial support for the project due to its importance for the Region. BCAG has agreed to provide \$3.1M in RIP funding, and the City of Gridley has agreed to provide \$400,000 in local funds that will be used help fund the expected construction capital costs for the proposed improvements. Caltrans is currently in the process of entering into a Cooperative Agreement with each agency to be able to obligate the funding. These agreements are expected to be executed by May 2022. A PCR for the additional Caltrans funding is anticipated to go to the May 2022 CTC meeting for approval. Also, because the project will install new electrical conduit for the City of Gridley's benefit, which will be used to loop the City of Gridley's electrical grid at a later date as development grows to the south, the City of Gridley will be paying for the full amount of this line item once the project is awarded, and the costs are known.

### Nonstandard Design Features

Capital Preventive Maintenance (CAPM) projects, consistent with the guidance of Design Information Bulletin (DIB) 81-02 do not require design standard decision documentation when perpetuating existing nonstandard geometric features. Table 6 below documents the non-standard design features, the tracking of new vs. perpetuated features, and probability of approval.

Table 6: Design Standard Risk Assessment

Applicable Alternative	Design Standard from Highway Design Manual Tables 82.1A & 82.1B	New Design Feature or Perpetuate Existing Condition	Probability of Nonstandard Design Feature Approval (None, Low, Medium, High,)	Justification for Probability Rating
1	Less than 8 foot outside shoulder HDM 302.1 Width	Perpetuated Non-Standard Feature	N/A	Scope of work will not degrade existing features therefore it will not require documentation via a design standard decision document

Utility and Other Owner Involvement

The presence of utilities within the project limits have been confirmed, the proposed improvements might be in conflict with the existing utilities. The utility conflicts are currently unknown, and potholing is scheduled to be performed in Spring of 2022.

Highway Planting and Erosion Control

A maintenance agreement will be needed with the City of Gridley to maintain the new landscaping.

Nonmotorized and Pedestrian Features

The improvements propose an 8-foot wide sidewalk on east side of SR 99, that could be used by bicyclists and pedestrians. The proposed sidewalk will provide a more comfortable experience and continuous path of travel throughout the entire City of Gridley along SR 99.

Right-Way-Data

Right of Way acquisitions will be required for this project; an additional 0.55 acres of R/W and 1.3 acres of TCEs will be purchased from different landowners. A Right of Way Data Sheet (RWDS) has been prepared (See Attachment E, *Right of Way Data Sheet*).

Cost Estimates

The total estimated cost for the Alternative 1 is \$16,456,000. The roadway and structures construction are estimated at \$14,933,000 and the right-of-way cost is estimated at \$1,522,440. (See Attachment F, *Preliminary Cost Estimate*)

It is estimated the project will take approximately 140 working days to complete.

**5B. Rejected Alternatives**No-Build Alternative

This No-Build alternative perpetuates the existing condition of facility. It does not satisfy the purpose and need of the project and is not recommended.

## **6. CONSIDERATIONS REQUIRING DISCUSSION**

The Initial Site Assessment has been prepared for the project. Based on the project review, the potential for hazardous waste exists with respect to the following:

1. Lead Contaminated Soil may exist within the existing right-of-way. Previous studies in the vicinity of this project indicate non-hazardous levels of lead in the soils along this route. As such, an Aerially Deposited Lead (ADL) site investigation is not required, and these soils can be considered non-hazardous.
2. Lead and chromium in yellow color traffic stripes.
3. Hazardous Materials Disclosure Document (HMDD) will be required for attachment to the Certificate of Sufficiency (COS) before any right-of-way can be acquired
4. Hazardous chemicals in wood posts associated with guardrail.

This project site is not listed as a Cortese site.

### **6A. Value Analysis**

This project is over \$25 million, and a value analysis is required. A Value Analysis workshop will be scheduled in the first quarter of 2023.

### **6B. Resource Conservation**

The trucks transporting the material to and from the construction site will be loaded to the allowable maximum weight which will reduce the number of trips. The material will be brought from the closest source possible to reduce the amount of fuel used.

All the materials from asphalt concrete grindings and concrete sidewalk demolition will become the property of the contractor to recycle or reuse on future projects.

### **6C. Right-of-Way**

Right-of-Way information is discussed in Section 5A: Viable Alternative. See Attachment E, Right-of-Way Data Sheet, for further right of way information/ details.

### **6D. Environmental Compliance**

A Draft Initial Study with a proposed Negative Declaration has been prepared under the California Environmental Quality Act (CEQA), in accordance with Caltrans environmental procedures, as well as state and federal environmental regulations. Under the National Environmental Policy Act (NEPA) a Categorical Exclusion will be prepared (See Attachment C).

### **6E. Air Quality Conformity**

This project is exempted from air quality analysis per Table 2 (subsection Safety) of Title 40, Code of Federal Regulations, Part 93, Section 93.126.

### **6F. Title VI Considerations**

All considerations of Title VI of the Civil Rights Act of 1964 have been included in this project.

**6G. Noise Abatement Decision Report**

Not applicable to this project as there is no change to horizontal or vertical alignment, no change to highway capacity or prediction for an increase in traffic volume.

**6H. Complete Streets**

A new 8-foot wide sidewalk will be constructed on east side of SR 99 from Liberty Road to Dollar General. The existing sidewalk, from Dollar General to Standish Lane, will be demolished, and a new 8-foot wide sidewalk with 3-foot landscaping will be constructed. A new 5-foot wide attached sidewalk will be constructed from Standish Lane to the north end of the project limits. The existing 4-foot wide sidewalk in front of Stapleton-Spence Packing Plant will remain. This will allow for non-vehicular connectivity through the entire City of Gridley along SR 99. Both pedestrians and bicyclists will be able to use the new sidewalk. The multiple driveways along the corridor will provide access to the businesses, and 14 non-standard curb ramps at the intersections will be upgraded to current ADA standards.

A new enhanced crosswalk, pedestrian refuge island, and a pedestrian hybrid beacon will be constructed between Archer Avenue and Cherry Street. Additionally, street lighting will be added along the sidewalk with 63 new streetlights being placed.

**7. OTHER CONSIDERATIONS AS APPROPRIATE****7A. Public Hearing Process**

During the public comment period, Caltrans hosted a Virtual Public Open House Meeting, where project was presented to public in February 2022, and the public was able to leave comments for the Caltrans Team. The meeting was announced in the paper at in January 2022.

**7B. Route Matters**

Project does not include route adoptions, transfer of highway locations, re-designations, recission, relinquishment, or access control modifications.

**7C. Cooperative Agreements**

A Cooperative Agreement (CO-OP) will be needed with the City of Gridley for funding for the new street lighting and electrical conduit for future use. Another CO-OP agreement will be needed with BCAG for replacing and widening of sidewalk, landscaping and street lighting. A separate maintenance agreement will be needed for maintenance of street lighting and landscaping.

**7D. Transportation Management Plan**

A Traffic Management Plan (TMP) Datasheet was created for this project to outline the traffic impacts and mitigation measures. Some of the information is summarized below:

- On SR 99 in Butte County, lane and shoulder closures will be allowed during daytime hours but may be restricted during peak hours.

- Whenever one-way traffic control is maintained, traffic should be stopped for periods not to exceed 10 minutes, after which accumulated traffic shall pass through before another closure is made.
- On multilane roadway, a minimum of one paved traffic lane, not less than 11 feet wide, shall be open in each direction of travel at all times.
- The maximum length of any lane closure shall be limited to 0.45 mile
- Portable changeable message signs (PCMS) will be required in direction of traffic during construction for each lane closure and shoulder closure.
- No lane closures, shoulder closures, or other traffic restrictions will be allowed on Special Days, designated legal holidays and the day preceding designated legal holidays, and when construction operations are not actively in progress.
- Work at these locations may require the assistance of COZEPP, but a full time COZEPP presence is not anticipated.

#### **7E. Stage Construction**

The project will be constructed in at least two stages, both directions will be constructed separately with lane closures. A minimum of one traffic lane in each direction, not less than 11 feet wide, will always be open for use by public traffic during construction.

#### **7F. Equity**

This project has the potential to address Equity in the areas of contracting, improving access for underserved communities, and improving multimodal transportation usage.

#### **7G. Broadband and Advance Technologies**

A fiber optic conduit will be placed under the new sidewalk for the entire length of the project. A fiber optic cable will be installed in future projects.

## 8. FUNDING, PROGRAMMING AND ESTIMATE

### Funding

It has been determined that this project is eligible for Federal-aid funding. Additional funds will be coming from by the City of Gridley and BCAG.

### Programming

Funding will be through:

SHOPP Pavement 20.XX.201.121- \$11,700,00

SHOPP District Variance - \$1,000,000

RIP Funds from BCAG - \$3,100,000

Local Funds from City of Gridley - \$400,000

This project is eligible for Federal-aid funding.

Fund Source	Fiscal Year Estimate								Program Amount
	Prior	21/22	22/23	23/24	24/25	25/26	Future	Total	
20.XX.201.121									
Component	In thousands of dollars (\$1,000)								
PA&ED Support	743	201						945	915
PS&E Support		101	833	611				1,544	1,180
Right-of-Way Support		329	1,360	747	179	184	181	2,980	510
Construction Support				60	679	676	200	1,615	1,480
Right-of-Way					1,661			1,661	600
Construction					16,413			16,413	11,700
Total	737	364	1,058	815	17,763	748	275	25,158	16,385

The proposed resources to complete the design and construction administration are shown on the programming sheet. The support cost ratio is 39%. See Attachment J for more information.

### Estimate

A Preliminary Cost Estimate has been prepared for the Viable Alternative.

See Attachment F, Preliminary Cost Estimate, for more information.

## 9. DELIVERY SCHEDULE

Project Milestones		Milestone Date (Month/Day/Year)	Milestone Designation (Target/Actual)
PROGRAM PROJECT	M015	05/14/2020	A
BEGIN ENVIRONMENTAL	M020	10/07/2020	A
BEGIN PROJECT	M040	07/16/2020	A
CIRCULATE DPR & DED EXTERNALLY	M120	03/15/2022	T
PA & ED	M200	06/30/2022	T

DESIGN P&E	M300	08/01/2023	T
PS&E TO DOE	M377	11/02/2023	T
RIGHT OF WAY CERTIFICATION	M410	12/15/2023	T
READY TO LIST	M460	01/10/2024	T
HEADQUARTERS ADVERTISE	M480	02/20/2024	T
AWARD	M495	04/25/2024	T
APPROVE CONTRACT	M500	05/29/2024	T
CONTRACT ACCEPTANCE	M600	06/15/2026	T
END PROJECT EXPENDITURES	M800	08/15/2028	T
FINAL PROJECT CLOSEOUT	M900	08/16/2029	T

## 10. RISKS

There are total of 7 Project Risks identified related to right-of-way, construction and environmental. The biggest risk appears to be related to late identification of utility conflicts and potential additional utility easements. A Risk Register is provided in Attachment K.

## 11. EXTERNAL AGENCY COORDINATION

Federal Highway Administration (FHWA) – This project is considered to be a Delegated Project in accordance with the current FHWA and Caltrans Joint Stewardship and Oversight Agreement.

US Army Corps of Engineers  
Department of Army Permit for:  
Clean Water Act Section 404

California Department of Fish and Wildlife  
California Fish and Game Code Section 1602  
Lake or Streambed Alteration Agreement

Regional Water Quality Control Board  
Clean Water Act Section 401  
Water Quality Certification

Local Agency  
Cooperative and Maintenance Agreements with the City of Gridley and Butte County Association of Governments

## 12. PROJECT REVIEWS

Scoping team field review	_____	Date 05/21/2021
District Program Advisor	Anthony Thurman	Date 12/24/2021
Headquarters SHOPP Program Advisor	Dave Changizi	Date 12/24/2021
District Maintenance	Patrick Bishop	Date 12/24/2021

Project Manager _____	Christopher Ladeas	Date <u>12/24/2021</u>
FHWA _____	Scott McHenry	Date <u>12/24/2021</u>
District Safety Review _____		Date <u>12/24/2021</u>
Constructability Review _____	Kim Smith	Date <u>12/24/2021</u>
Landscape Architect _____	Cathy Wei	Date <u>12/24/2021</u>

### 13. PROJECT PERSONNEL

Project Manager:	Christopher Ladeas	(530) 701-1305
Design Senior:	Jaroslav Kusz	(530) 821-8402
Project Engineer:	Jaroslav Kusz	(530) 821-8402
Environmental Coordinator:	Bibiana Rodriguez	(530) 720-9957
Right of Way Engineering:	Jacob Pace	(530) 218-3688
Utilities Engineering Workgroup:	Robert Floyd	(530) 813-0140
Traffic Operations:	Brigette Haddock	(530) 741-5737
Construction:	Matt Solano	(530) 218-4810
Storm Water Coordinator:	Iris Bishop	(530) 720-8605
Maintenance:	Thomas Mutunga	(530) 812-4765
Right of Way Project Coordinator:	Andrew Hulbert	(530) 821-8337
Landscape Architect:	Cathy Wei	(530) 632-5045
Traffic Management Planning:	Jody Allen	(530) 821-8481
Electrical:	Steven Lee	(530) 812-2820

### 14. ATTACHMENTS

- A. Location Map/Title Sheet
- B. Layout Sheet and Typical Section
- C. Environmental Document
- D. 3-year Collision Analysis and Draft Project Report- Collision Analysis
- E. Right of Way Data Sheet
- F. Preliminary Cost Estimate
- G. Traffic Management Plan Data Sheet
- H. Landscape Architecture Assessment Sheet
- I. Stormwater Data Report
- J. Programming Sheet
- K. Risk Register
- L. Performance Measures



**Attachment A**  
**Location Map/Title Sheet**

STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION  
PROJECT PLANS FOR CONSTRUCTION ON  
STATE HIGHWAY

IN BUTTE COUNTY  
IN AND NEAR GRIDLEY  
FROM HOLLIS LANE  
TO 0.2 MILE NORTH OF FORD AVENUE

TO BE SUPPLEMENTED BY STANDARD PLANS DATED 2018



BEGIN CONSTRUCTION  
Sta "A" 165+00  
PM R3.1

END CONSTRUCTION  
Sta "A" 257+00  
PM 5.0

Begin Work  
Sta "A" 150+00

End Work  
Sta "A" 266+00

PROJECT MANAGER	CHRISTOPHER LADEAS
DESIGN MANAGER	JAROSLAW KUSZ

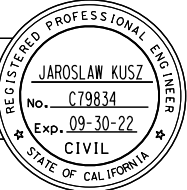
THE CONTRACTOR SHALL POSSESS THE CLASS (OR CLASSES)  
OF LICENSE AS SPECIFIED IN THE "NOTICE TO BIDDERS."

PROJECT ENGINEER  
REGISTERED CIVIL ENGINEER

DATE

PLANS APPROVAL DATE

THE STATE OF CALIFORNIA OR ITS  
OFFICERS OR AGENTS SHALL NOT BE  
RESPONSIBLE FOR THE ACCURACY OR  
COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.



CONTRACT No.	03-1H1404
PROJECT ID	0316000060

**Attachment B**  
**Typical Section, and Layout Sheet**

NOTES:

1. DIMENSIONS OF THE PAVEMENT STRUCTURES (STRUCTURAL SECTIONS) ARE SUBJECT TO TOLERANCES SPECIFIED IN THE STANDARD SPECIFICATIONS.
2. SUPERELEVATIONS ARE SHOWN ON THE SUPERELEVATION DIAGRAM.

STRUCTURAL SECTIONS

- 1

0.3' COLD PLANE AC Pvm+  
0.1' RHMA-O  
0.2' RHMA-G
- 2

0.1' RHMA-O  
0.2' RHMA-G  
0.2' HMA-A  
0.5' AB
- 3

0.5' MINOR Conc  
0.33' AB
- 4

Exist  
0.35' AC (TYPE A)  
0.7' CTB  
0.9' AS

DESIGN DESIGNATION (ROUTE 99)

ADT (2020) = 25,000      D = 55 %

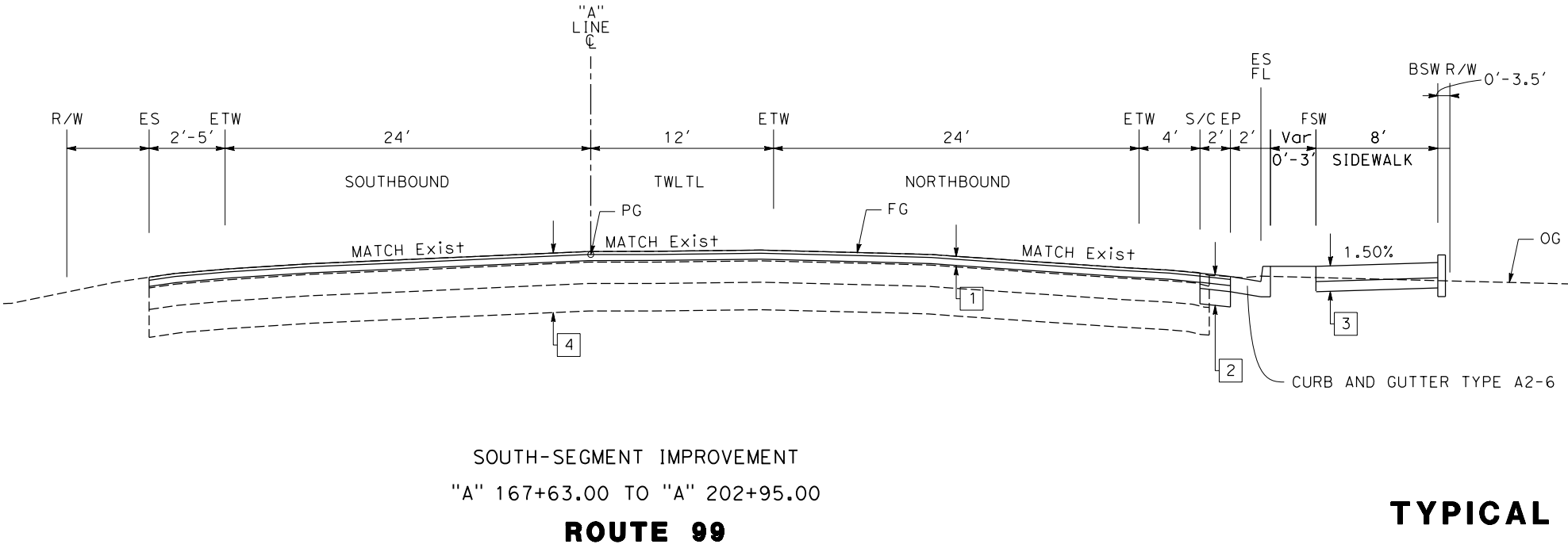
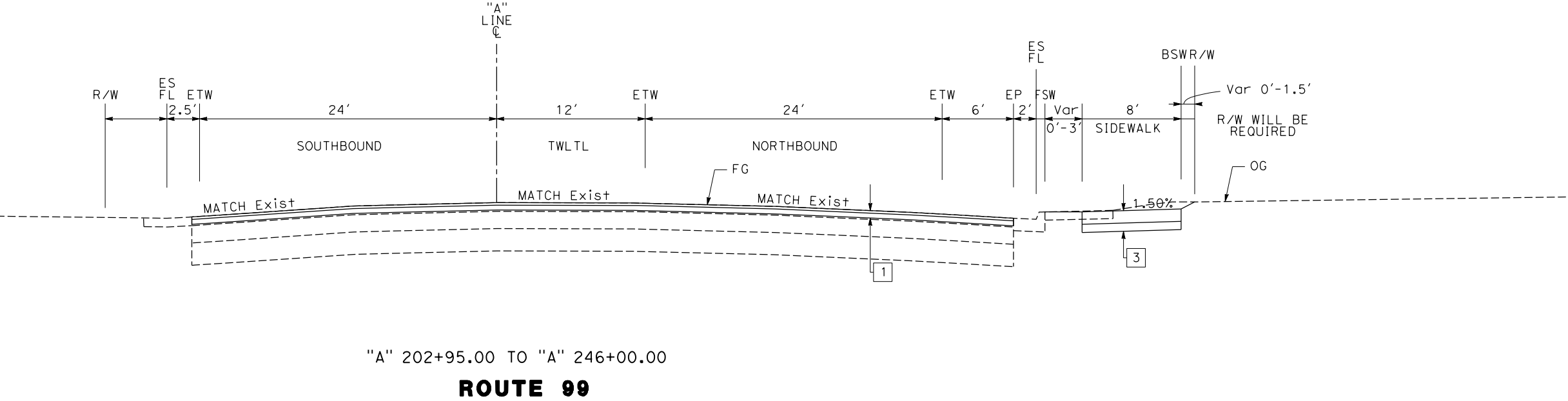
ADT (2036) = 33,800      T = 6.0 %

DHV (2036) = 3,380      TI<sub>20</sub> = 12.0

ESAL (2036) = 11,281,982      V = 35-55 MPH

Dist	COUNTY	ROUTE	POST MILES TOTAL PROJECT	SHEET No.	TOTAL SHEETS
03	But	99	3.1/5.0		
REGISTERED CIVIL ENGINEER			DATE		
PLANS APPROVAL DATE					
THE STATE OF CALIFORNIA OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.					

REGISTERED PROFESSIONAL ENGINEER  
No. \_\_\_\_\_  
Exp. \_\_\_\_\_  
CIVIL  
STATE OF CALIFORNIA



TYPICAL CROSS SECTIONS

NO SCALE

X-1

**Attachment C**  
**Environmental Document**

NOTES:

1. FOR ACCURATE RIGHT OF WAY DATA, CONTACT  
RIGHT OF WAY ENGINEERING AT THE DISTRICT OFFICE.
2. SEE CONSTRUCTION DETAILS FOR DRIVEWAYS INFORMATION.

ABBREVIATIONS:

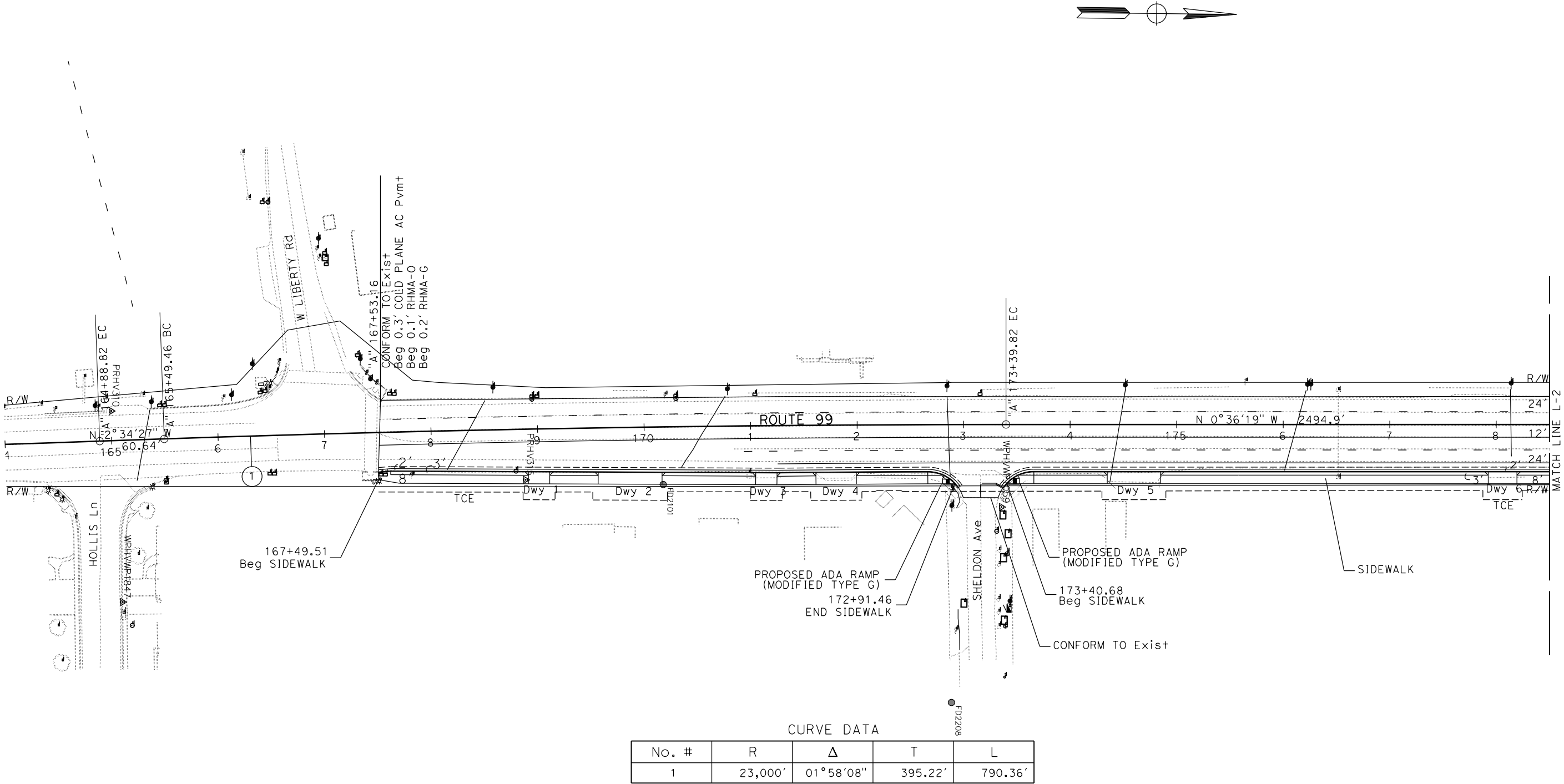
- RHMA-O RUBBERIZED HOT MIX ASPHALT- OPEN GRADED  
(OPEN GRADED FRICTION COURSE)
- RHMA-G RUBBERIZED HOT MIX ASPHALT- GAP GRADED

Dist	COUNTY	ROUTE	POST MILES TOTAL PROJECT	SHEET No.	TOTAL SHEETS
03	Butte	99	3.1/5.0		

REGISTERED CIVIL ENGINEER DATE

PLANS APPROVAL DATE

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OR AGENTS SHALL NOT BE RESPONSIBLE FOR  
THE ACCURACY OR COMPLETENESS OF SCANNED  
COPIES OF THIS PLAN SHEET.



LAYOUT  
SCALE: 1" = 50'

L-1

NOTES:  
1. FOR ACCURATE RIGHT OF WAY DATA, CONTACT  
RIGHT OF WAY ENGINEERING AT THE DISTRICT OFFICE.

DIST	COUNTY	ROUTE	POST MILES TOTAL PROJECT	SHEET NO.	TOTAL SHEETS
03	ST	99	3.1/5.0		

REGISTERED CIVIL ENGINEER

DATE

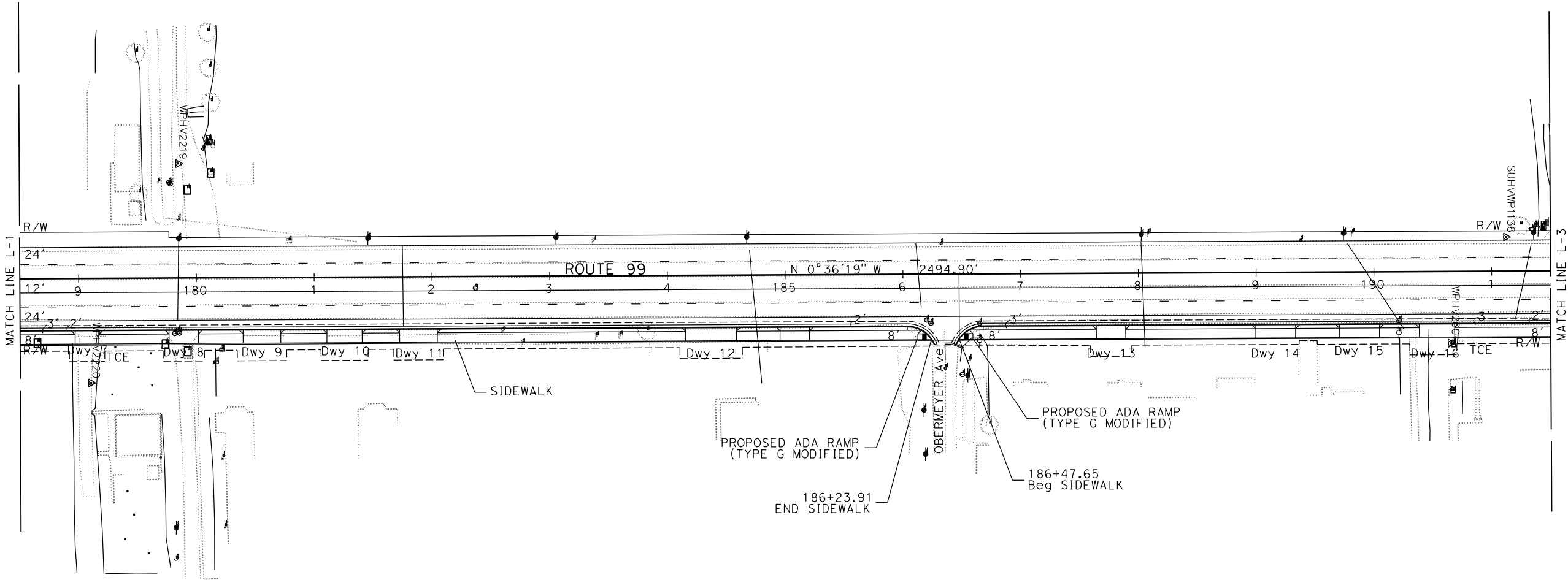
PLANS APPROVAL DATE

REGISTERED PROFESSIONAL ENGINEER

No.

DATE

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OR AGENTS SHALL NOT BE RESPONSIBLE FOR  
THE ACCURACY OR COMPLETENESS OF SCANNED  
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LAYOUT  
SCALE: 1" = 50'

L-2

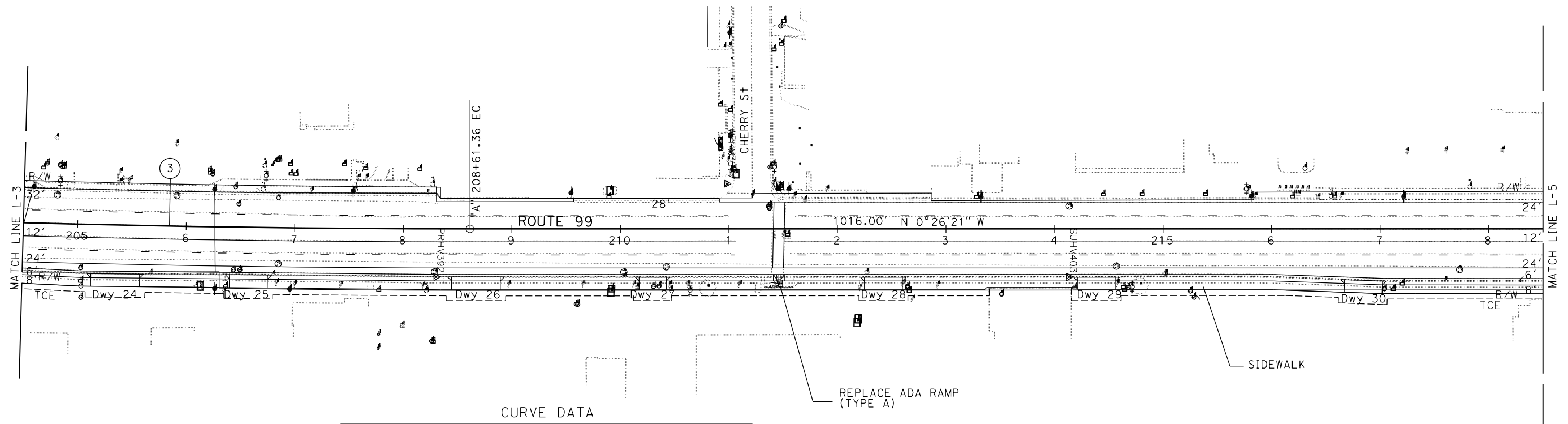
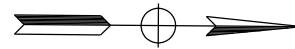




Dist	COUNTY	ROUTE	POST MILES TOTAL PROJECT	SHEET No.	TOTAL SHEETS
03	SUT	99	3.1 / 5.0		
<div style="display: flex; justify-content: space-between; align-items: center;"> <div> <p>REGISTERED CIVIL ENGINEER</p> <p>DATE _____</p> <p>PLANS APPROVAL DATE _____</p> <p><i>THE STATE OF CALIFORNIA OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.</i></p> </div> <div style="text-align: center;">  </div> </div>					

NOTES:

1. FOR ACCURATE RIGHT OF WAY DATA, CONTACT  
RIGHT OF WAY ENGINEERING AT THE DISTRICT OFFICE.



CURVE DATA				
No. #	R	$\Delta$	T	L
3	15,000'	01°52'40"	245.82'	491.59'

BORDER LAST REVISED 7/2/2010

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IS IN INCHES



UNIT 0308

PROJECT NUMBER &amp; PHASE


00316000060 0

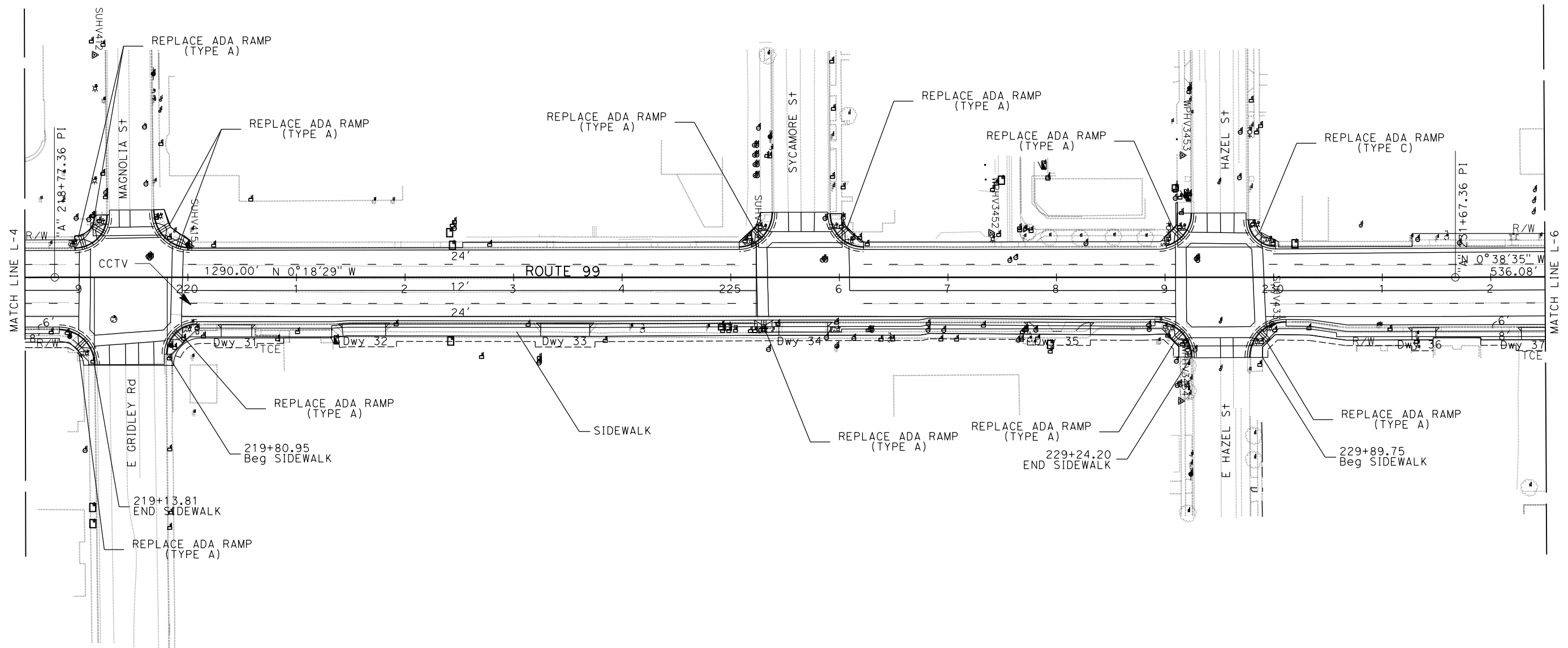
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SCALE: 1" = 50'

SCALE: 1" = 50'

**L-4**

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TIME PLOTTED => 8:44:04 AM	10-26-17

Dist	COUNTY	ROUTE	POST MILES TOTAL PROJECT	SHEET No.	TOTAL SHEETS
03	SUT	99	3.1/5.0		
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## LAYOUT

SCALE: 1" = 50'

**L-5**

NOTES:

1. FOR ACCURATE RIGHT OF WAY DATA, CONTACT  
RIGHT OF WAY ENGINEERING AT THE DISTRICT OFFICE.

BORDER LAST REVISED 7/2/2010

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RELATIVE BORDER SCALE  
IS IN INCHES



UNIT 0308

PROJECT NUMBER &amp; PHASE

00316000060 0

DATE PLOTTED => 12/14/2021	LAST REVISION
TIME PLOTTED => 8:44:08 AM	10-26-17





# **BUTTE 99 ROAD REHAB IN GRIDLEY PROJECT**

**BUTTE COUNTY, CALIFORNIA**

**DISTRICT 3 – BUT – 99 (Post Miles R3.1 to 5.0)**

**1H140 / 0316000060**

## **INITIAL STUDY**

**with Proposed Negative Declaration**



**Prepared by the  
State of California Department of Transportation**



**November 2021**

**Attachment D**  
**3-year Collision Analysis and,**  
**Draft Project Report- Collision Analysis**

## Memorandum

**To:** ALI RABIEE  
North Region Project Development

**Date:** 4/16/2021

**File:** 03-1H140  
BUT-99-R3.1/5.0  
Butte 99 Road Rehab in Gridley

**From:** Walid Assi  
District 3 Office of Traffic Safety

**Subject:** REQUEST FOR 3-YEAR COLLISION ANALYSIS

Per your request to Traffic Safety by email dated April 13, 2021 to provide you the most current 3 years of data. Traffic Accident Surveillance and Analysis System (TASAS) data was collected from October 1, 2017 through September 30, 2020 to evaluate the collision history for this location.

During the 3-year timeframe, there were 76 collisions for post miles mentioned above. Out of these collisions, 0 were fatal, 28 were injuries (37 people), 48 were property damage only (PDO). 27 of the collisions were in the northbound direction, 49 were in the southbound direction.

Table 1 below lists the collisions and collision rates for the mainline segment of But 99 in both directions from PM R3.1 to PM 5.0. The collision rates in the table below indicate that the Fatal + Injury and Total collision rates are higher than the statewide average rates for similar facilities.

**Table 1**

Year	Total Collisions	Fatal Collisions	Fatal + Injury Collisions	Multi Vehicle	Wet Pavement	Nighttime	Persons Killed	Persons Injured
10/1/17 to 9/30/20	76	0	28	66	5	26	0	37
Collision Rates								
Actual					Average			
Fat	F+I	Total		Fat	F+I	Total		
0.000	0.70	1.91		0.011	0.41	0.96		

Table 2 below provides a breakdown of the collisions by type; Table 3 summarizes the primary collision factors.

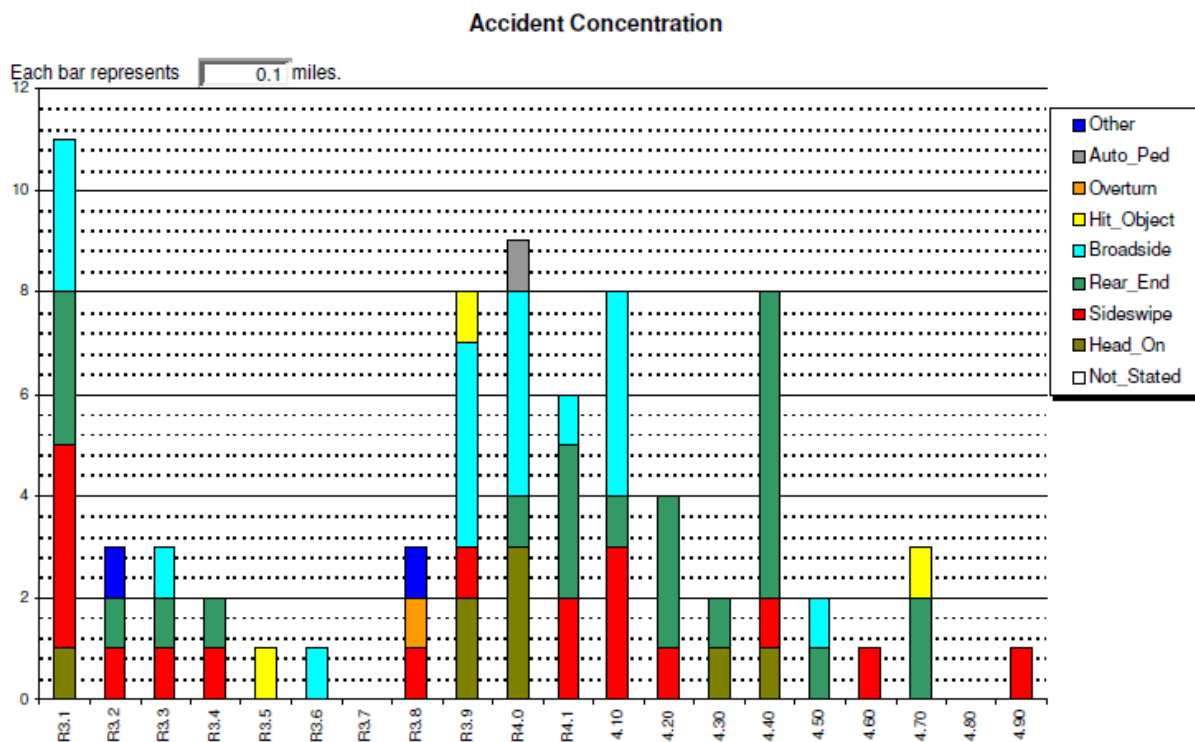
**Table 2**

Collision Type	Total	% of Total
Head-on	8	10.6
Sideswipe	18	23.7
Rear end	24	31.6
Broadside	19	25.0
Hit Object	3	3.9
Overturn	1	1.3
Auto/Ped	1	1.3
Other	2	2.6
Not Stated	0	0.0
Total	76	100

**Table 3**

Primary Collision Factor	Total	% of Total
Influence Alcohol	1	1.3
Fallow to Close	7	9.2
Failure to Yield	21	27.6
Improper Turn	17	22.4
Speeding	15	19.7
Other Violations	15	19.7
Improper Driving	0	0.0
Other Than Driver	0	0.0
Unknown	0	0.0
Fell Asleep	0	0.0
Not Stated	0	0.0
Total	76	100

The chart below represents the collision concentration by collision type for each 0.1-mi distance.





The collision pattern identified is congestion related through a city. A review of the collision data indicates the 3 primary types of collisions as being sideswipe, broadside and rear end. The speed limit through the city of Gridley drops to 35 mph. there are approximately 11 intersections (4 of which are signalized) with a two way left turn lane running through most of the city. The highest incidences of rear end occur near the signalized intersections potentially contributed to by the lack of right turn lanes. There are a large number of stop-controlled intersections and a high density of commercial driveways, leading to broadside collisions through this segment as drivers turn into commercial lots from the two way left turn lane. The highest incidences of sideswipes occur where lanes drop off or where drivers turn into lots through the two way left turn lane. The collision rates are reflective of this identified pattern.

The information provided in this Memorandum is not the collision data used to fund this project.

If you have any questions, please contact me at (530) 634-7653 or my supervisor Fernando Rivera at (530) 741-5712.

Attachments:  
Table B/TSAR

Cc: Fernando Rivera – Chief, Office of Traffic Safety

## Memorandum

**To:** CHRIS LADEAS  
PROJECT MANAGER

**Date:** 2/16/2022

**File:** 03-1H140  
BUT-99 PM R3.1/ to PM 5.0  
BUT 99 Rehabilitation Project

**From:** Mary Bokova  
District 3 Office of Traffic Safety

**Subject:** REQUEST FOR DRAFT PROJECT REPORT\_COLLISION ANALYSIS

Per your email request, dated January 26, 2022, Traffic Safety analyzed collision data from the Draft Project Report to provide a safety analysis. Three years of data were used for analysis, from October 1, 2017 to September 30, 2020. Traffic Accident Surveillance and Analysis System (TASAS) data was collected to evaluate the collision history for this segment.

During the timeframe, from PM 3.1 to PM 5.0, there were 76 collisions in both directions. Out of these collisions, 0 were fatal, 28 were injuries (37 people), 48 were property damage only (PDO), 3 collisions involved bicyclists, and 2 were auto-pedestrian collisions.

Safety is the department's number one priority and as we rethink traffic safety in California, our goal is to move *towards zero deaths* on our highways. Incorporating the four pillars of traffic safety will require an innovative approach for delivery of safety improvements. Traditional approaches relied on preventing crashes by examining crash data and reacting to high collision concentrations. The *Safe System* approach focuses on preventing deaths and serious injuries by proactively identifying and addressing risks with the understanding that humans make mistakes.

As part of a Safe Systems approach, this project proposes to install proven safety countermeasures which are expected to reduce the number and severity of collisions.

Four serious injury collisions were identified out of the 28 reported injury collisions. The information below summarizes each of the four serious injury collisions:

1. PM R3.25, 11/20/19: This collision involved a bicyclist and occurred at 14:54. It occurred in clear weather, during daylight, on a dry road surface, and the drivers were sober. V1 was leaving a storage unit business and was driving west on the driveway. V1 started turning right into the SB direction after traffic cleared and collided with a bicyclist, traveling in the opposite direction of traffic.
2. PM R3.97, 7/13/18: This head-on collision occurred at 16:53. It occurred in clear weather, during daylight, on a dry road surface, and the drivers were sober. V1 was driving NB in the TWLTL. V2 was driving SB in the #2 lane. V3 was stopped at a stop

sign at Cherry St. As V1 initiated a turn towards Cherry St, V2's front end collided with V1. Both vehicles spun around, causing V1 to collide with V3.

3. PM R4.04, 4/24/18: This head-on collision occurred at 05:53. It occurred in clear weather, during daylight, on a dry road surface, and the drivers were sober. V1 was driving NB in the #1 lane. V2 was driving SB in the #1 lane. V3 was driving SB in the #2 lane, just ahead of V2. V1 drifted into the SB #1 lane and collided head on with V2. This caused V2 to spin around and collide with V3.
4. PM 4.12, 7/29/18: This broadside collision occurred at 19:09. It occurred in clear weather, during daylight, on a dry road surface, and the drivers were sober. V1 was driving NB, through the intersection with Gridley Rd. The traffic signal was green for the NB traffic. A bicyclist entered the intersection on a red light, traveling west on Gridley Rd. V1 collided with the bicyclist.

Project improvements to mitigate the serious injury collisions.

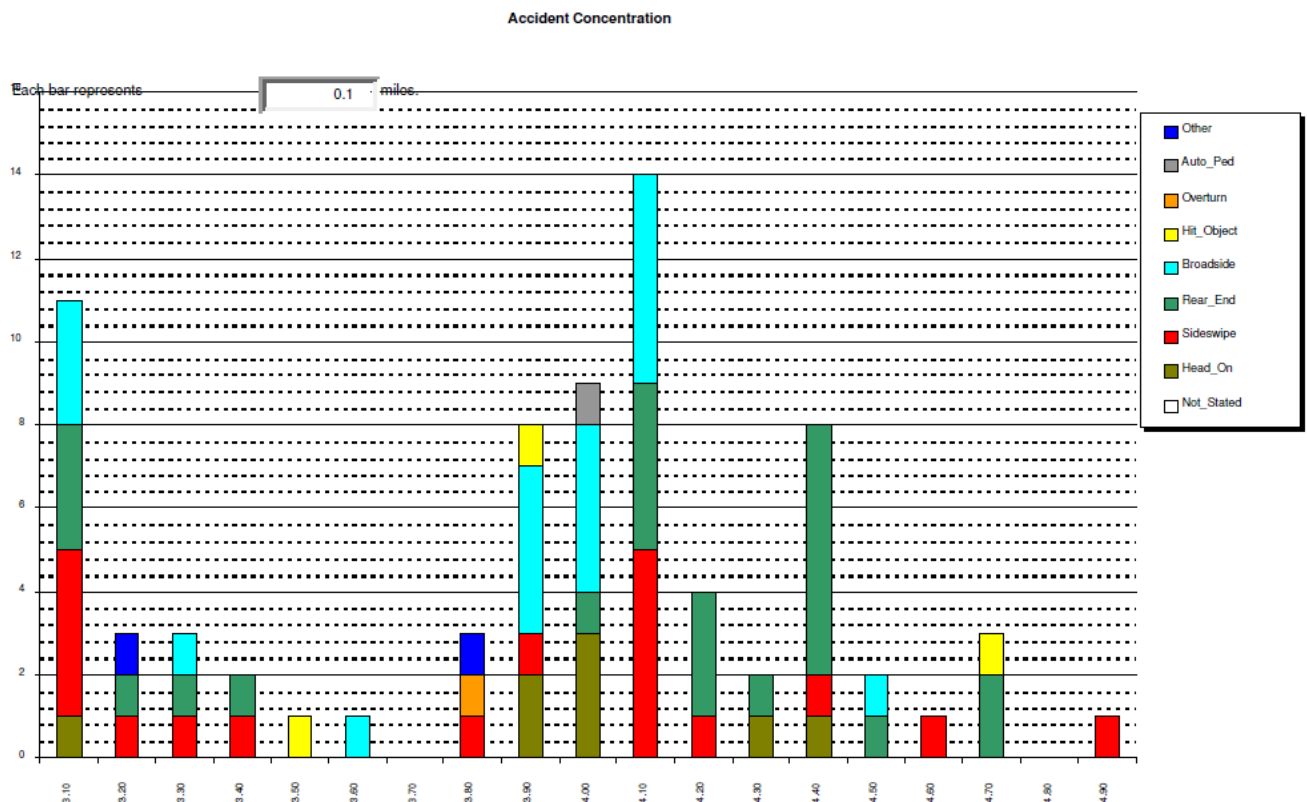
1. According to the CMF Clearinghouse, widening paved shoulders will provide a potential 22.9% to 43.4% reduction in crashes.
2. Wider Edge Lines (6") enhance the visibility of travel lane boundaries compared to traditional lane lines (4"). The wider lane lines increase drivers' perception of the travel lane and provide a proven safety benefit. The wider edge lines are expected to reduce crashes up to 37% as a proven safety countermeasure.

The following project improvements are proven safety countermeasures.

1. Installing backplates with reflective borders at traffic signals will reduce potential total crashes by 15%.
2. Installing lighting at intersections and segments will reduce potential crashes up to 42% and provide a 33% to 38% reduction in nighttime injury pedestrian crashes at intersections.
3. Constructing a new 8-foot sidewalk from W. Liberty Road to Dollar General will provide a potential 65% to 89% reduction in crashes involving pedestrians walking along roadways.
4. Constructing a new 5-foot sidewalk from Standish Lane to the existing sidewalk in the northbound direction will provide a potential 65% to 89% reduction in crashes involving pedestrians walking along roadways.
5. Constructing a new enhanced crosswalk between Archer Avenue and Cherry Street will reduce potential injury crashes up to 40%.
6. Installing a pedestrian hybrid beacon between Archer Ave and Cherry Street will reduce potential pedestrian crashes by 55% and total crashes by 29%, and serious injury and fatal crashes by 15%.
7. Installing a refuge island between Archer Avenue and Cherry Street will reduce potential pedestrian crashes by 56%.
8. Performing a Road Safety Audit (RSA) for the corridor from south of Lomo Crossing (Sutter County) to Rio Bonito Road (Butte County) will provide an additional 10% to 60% reduction in crashes. The RSA team should assess the corridor and recommend short-term, mid-term, and long-term safety countermeasures for all road users.

Collision data was analyzed, and it was determined that the highest concentration of sideswipe and broadside collisions occurs between PM 3.9 to PM 4.1. One of the countermeasures which is expected to reduce the number and severity of these collisions is the installation of a raised median. This improvement will reduce the number of conflict points and prohibit drivers from crossing the median, which are two of the main causes of collisions at this location. This access management technique will require the support and collaboration of City officials and impacted business owners. This improvement will provide a potential 28% to 42% reduction in total collisions. An example of this improvement is in a segment of SUT 20 from PM 15.57(99/20 interchange) to PM 16.62(Shasta Street).

The highest concentration of read-end collisions occurs at the south end and north end of the project, where two lanes are reduced to one. These collisions are related to congestion. Currently, there are no proven safety countermeasures that would reduce these types of collisions.



If you have any questions, please contact me at (530) 720-9467 or my supervisor Fernando Rivera at (530) 741-5712.

Cc: Fernando Rivera – Chief, Office of Traffic Safety

**Attachment E**  
**Right of Way Data Sheet**

## MEMORANDUM

**To:** JAROSLAW KUSZ  
Design Engineer  
Department of Transportation


**Date:** December 9, 2021

**File:** 03-BUT-99 PM 3.1/5.0

**EFIS No.:** 03 1600 0060

**EA:** 1H140

Attention: JAROSLAW KUSZ  
Project Engineer

**From:** For JANEL D. WILSON   
Assistant Chief  
North Region Right of Way  
Marysville

**Subject:** CURRENT ESTIMATED RIGHT OF WAY COSTS

**Project Description:** Butte 99 Road Rehab in Gridley

We have completed an estimate of the right of way costs for the above referenced project based on information received from you on October 29, 2021.

Right of Way Lead Time will require a minimum of 26 months after receipt of appraisal maps, utility conflict maps, environmental clearances (HMDD) and Certificate of Sufficiency (COS). A minimum of 24 months prior to certification will be required from submittal of the last map or revision. Shorter lead times may require additional support resources and may adversely affect delivery of Right of Way Certification.

\*\*\*Right of Way Certification is at risk. The current project schedule does not provide Right of Way with sufficient lead time.\*\*\*

Attachment:  
Right of Way Data Sheet

cc. Chris Ladeas

California State Transportation Agency  
**RIGHT OF WAY DATASHEET**



**EA:** 1H140  
**PROJECT NO.:** 03 1600 0060  
**LOCATION:** 03-BUT-99 PM 3.1/5.0  
**DESCRIPTION:** Butte 99 Road Rehab in Gridley  
**DATE:** 12/9/2021  
**DATASHEET TYPE:** Design Change

1. Right of Way Cost Estimate:

	Current Value Future Use	Escalation Rate	Escalated Value
A. Total Acquisition Cost	\$607,438	5%	\$670,237
B. Appraisal Fees Estimate	\$185,000	N/A	\$185,000
C. Mitigation Acquisition & Credits	\$0		\$0
D. Project Development Permit Fees	\$11,002	5%	\$12,139
Subtotal	\$803,440		\$867,377
E. Utility Relocation (State's Share)	\$550,000	5%	\$606,862
(Owner's Share: \$2,500,000 )			
F. Relocation Assistance (RAP)	\$25,000	5%	\$27,585
G. Clearance/Demolition	\$0		\$0
H. Title & Escrow	\$144,000	5%	\$158,887
I. Total Estimated Right of Way Cost	\$1,522,440		
J. Phase 4 estimated expenses			
Railroad	\$0		
Construction Contract Work	\$560,000		
		<b>Rounded</b>	<b>\$1,661,000 *</b>

2. Current Date of Project Approval (PA&ED)

April 1, 2022

Current Date of Right of Way Certification

December 15, 2023

3. Parcel Data:

Type	Dual/Appr	Utilities	Railroad
X 0		U4 - 1 3	C&M Agreement 0
A 0		- 2 0	Service Contract 0
B 35		- 3 0	Easements 0
C 37	0	- 4 4	Rights of Entry 0
D 0	0	U5 - 7 1	Clauses 0
RR 0		- 8 0	
<b>Total 72</b>		- 9 7	
Excess 0			

Areas:

R/W	24062 SF
TCE	56405 SF
Excess	N/A
Mitigation	N/A

Mitigation

Impacts	0
Parcels	0
Credits	0
Lump Sum	0
Env PTE	20

Misc. R/W Work

RAP Displacees	1
Clear/Demo	N/A
PTE Construct	40
Condemnation	7
USA Involvement	No

4. **Provide a general description of the right of way and excess lands required (zoning, use, major improvements, critical or sensitive parcels, etc.).**

Acquisitions will be required from a total of 72 parcels (35 Temporary Construction Easement (TCE) only, 10 Fee only, and 27 Fee & TCE combined). A majority of the parcels are zoned commercial, industrial, and mixed use. Utility easements are not included in this estimate. Underground storage tanks may be located on some of the required parcels (previous gas stations.) This estimate does not include an estimated cost for testing and removal of these tanks as this is a Phase 4 Construction cost.

5. **Are any properties acquired for this project expected to be rented, leased, or sold?**

Yes \_\_\_\_\_ No   X  

6. **Are RAP displacements required?**

Yes   X   No \_\_\_\_\_

No. of single family       0      

No. of multi-family       0      

No. of business/nonprofit       1      

No. of farms       0      

Based on Draft/Final Relocation Impact Statement/Study dated \_\_\_\_\_ Pending

  X   Sufficient replacement housing will be available without last resort housing.

\_\_\_\_\_ Sufficient replacement housing will not be available without last resort housing.

7. **Is there an effect on assessed valuation?**

Yes \_\_\_\_\_ No   X   Not Significant \_\_\_\_\_

8. **Are there any items of Construction Contract Work?**

Yes   X   No \_\_\_\_\_

Driveway conforms

9. **Are utility facilities or rights of way affected?**

Yes   X   No \_\_\_\_\_

**Names of Utility Companies requiring verification only.**

Kinder Morgan, Qwest Communication

**Names of Utility Companies requiring involvements.**

PG&E Gas, AT&T, Comcast, City of Gridley Electric, City of Gridley Water, City of Gridley Sewer

**Additional information concerning Utility Involvement on this project.**

Installation of sidewalks, upgrades to traffic signals, and ADA improvements at intersections all have potential to greatly impact underground utilities, particularly those found clustered at intersections and surrounding the existing traffic signal foundation structures.

10. **Are railroad facilities or rights of way affected?**

Yes   X   No \_\_\_\_\_ Phase 4 Capital   \$0  

There are Union Pacific Railroad Co tracks within the project limits that will not be affected by work. Plans and work description of work will be sent to HQ and UP for review. A Railroad Clearance Memo with short clauses SSP's will be sent to OE with RW Cert Request.

11. **Are USA Lands or Rights Affected?**

Yes \_\_\_\_\_ No   X   Phase 4 Capital   \$0  

**Agencies Involved:**

US Forest Service \_\_\_\_\_

National Parks \_\_\_\_\_

US Fish & Wildlife \_\_\_\_\_

BLM \_\_\_\_\_

BIA \_\_\_\_\_

GSA \_\_\_\_\_

Army Corps of Engineers \_\_\_\_\_

Veterans Administration \_\_\_\_\_

**Rights or Permissions to acquire:**

Easement \_\_\_\_\_

Right of Way Grant \_\_\_\_\_

Mineral Agreement \_\_\_\_\_

Special Use Permit \_\_\_\_\_

Cooperative Work Agreement \_\_\_\_\_

Letter of Concurrence \_\_\_\_\_

Courtesy Letter \_\_\_\_\_

Cost Recovery \_\_\_\_\_

Timber Sale \_\_\_\_\_

There is no Federal Land on this project.

12. **Is an RE Office required for the project?**

Yes   X   No \_\_\_\_\_

13. **Were any previously unidentified sites with hazardous waste and/or material found?**

Yes \_\_\_\_\_ None Evident   X



14. Are there material borrow and/or disposal sites required?

No X Optional \_\_\_\_\_ Mandatory \_\_\_\_\_

15. Are there potential relinquishments and/or abandonments?

Yes \_\_\_\_\_ No X

16. Are there any existing and/or potential airspace sites?

Yes \_\_\_\_\_ No X

17. What type of mitigation is required for the project?

Permits are anticipated for this project. Mitigation is not anticipated.

18. Is it anticipated that Caltrans will perform all Right of Way work?

Yes X No \_\_\_\_\_

19. Indicate the anticipated Right of Way schedule and lead time requirements.

Right of Way Lead Time will require a minimum of 26 months after we receive first appraisal maps, utility conflict maps, necessary environmental clearances and freeway agreements have been approved and obtained. Additionally a minimum of 24 months will be required after receiving the last appraisal map to Right of Way for certification.

20. Assumptions and limiting conditions: (Check boxes that apply.)

- ☒ Additional right of way requirements are anticipated, but are not defined due to the preliminary nature of the early design requirements.
- ☒ Design will secure necessary encroachment permits from local agencies, Reclamation Districts, Central Valley Flood Protection Board, etc. in advance of construction.
- ☒ This estimate is based off of preliminary Environmental information.
- ☒ There may be underground storage tanks within the project limits. The cost for removal of any existing tanks should be included in the Construction cost estimate. Additional temporary construction easements may be needed to remove these tanks if the tanks are later determined to be within the permanent acquisition areas.
- ☒ Utility lead time begins after PA&ED is met and we have received conflict maps.
- ☒ Right of Way Certification is at risk. The current project schedule does not provide Right of Way with sufficient lead time.
- ☒ Temporary Construction Easements in this estimate are calculated for 30 months in duration based upon current project schedule (RW Cert 12/15/23 to Contract Accept 6/15/26).
- ☒ If the contractor requires a staging area, Standard Specifications (Sections 5-1.32) indicates that the contractor will be responsible for securing locations for staging and storage.

Evaluation Prepared By:

Right of Way:

*Poppea Darling*

POPPEA DARLING  
Associate Right of Way Agent

Date 12/9/2021

Recommended:

*Robert Odom*

ROBERT ODOM  
Senior Right of Way Agent  
Appraise/Acquire, Estimating, and RAP Branch  
Marysville

Date 12/10/2021

I have personally reviewed this Right of Way Data Sheet and all supporting information. I certify that the probable Highest and Best Use, estimated values, escalation rates and assumptions are reasonable and proper, subject to the limiting conditions set forth, and I find this Data Sheet to be complete and current.

*Karen D. Wilson*

For JANEL D. WILSON  
Assistant Chief  
North Region Right of Way  
Marysville

Date 12/10/2021

Reviewed By

RW Planning & Management:

*Andrea Ness*

ANDREA NESS  
Page 3 of 3

Date 12/10/2021

**Attachment F**  
**Preliminary Cost Estimate**

# PRELIMINARY COST ESTIMATE

EA: 03-1H140

EA: 03-1H140 PID: 316000060

PA&ED

PID: 316000060

District-County-Route: 03-But-99

PM: 3.1-5.0

Type of Estimate : Engineering Estimate (approximate value)

Program Code : 20.XX.201.121

Project Limits : 03-But-99 PM 3.1/5.0

**Project Description:** This project is a pavement rehabilitation project located on State Route (SR) 99 within the City of Gridley. This project will also add and upgrade sidewalk on the east side of SR 99, bring the curb ramps to current ADA standards. Furthermore, it will address other highway appurtenances including upgrading drainage facilities, installing fiber optic, adding new TMS elements including bike loop detectors, and CCTV.

Scope :

Alternative : 1

## SUMMARY OF PROJECT COST ESTIMATE

	Current Year Cost	Escalated Cost
TOTAL ROADWAY COST	\$ 14,837,000	\$ 16,307,417
TOTAL STRUCTURES COST	\$ 96,000	\$ 105,514
SUBTOTAL CONSTRUCTION COST	\$ 14,933,000	\$ 16,412,932
TOTAL RIGHT OF WAY COST	\$ 1,522,440	\$ 1,661,000
TOTAL CAPITAL OUTLAY COSTS	\$ 16,456,000	\$ 18,074,000
PR/ED SUPPORT	\$ -	\$ -
PS&E SUPPORT	\$ -	\$ -
RIGHT OF WAY SUPPORT	\$ -	\$ -
CONSTRUCTION SUPPORT	\$ -	\$ -
TOTAL SUPPORT COST	\$ -	\$ -
<b>TOTAL PROJECT COST</b>	<b>\$ 16,500,000</b>	<b>\$ 18,100,000</b>

If Project has been programmed enter Programmed Amount

Date of Estimate (Month/Year) Month / Year  
 10 / 2021  
 Estimated Construction Start (Month/Year) 6 / 2024  
 Number of Working Days = 140  
 Estimated Mid-Point of Construction (Month/Year) 12 / 2024  
 Estimated Construction End (Month/Year) 6 / 2025  
 Number of Plant Establishment Days

### Estimated Project Schedule

PID Approval June-19  
 PA/ED Approval December-21  
 PS&E November-23  
 RTL January-24  
 Begin Construction June-24

Reviewed by District O.E. or  
Cost Estimate Certifier

Office Engineer / Cost Estimate Certifier

Date

Phone

Approved by Project Manager

Chris Ladeas

(530) 701-1305

Project Manager

Date

Phone

## PROJECT COST ESTIMATE

EA: 03-1H140 PID: 316000060

**I. ROADWAY ITEMS SUMMARY**

	<b>Section</b>	<b>Cost</b>
1	Earthwork	\$ 192,000
2	Pavement Structural Section	\$ 3,015,800
3	Drainage	\$ 2,500,000
4	Specialty Items	\$ 5,000
5	Environmental	\$ 1,010,000
6	Traffic Items	\$ 1,896,600
7	Detours	\$ -
8	Minor Items	\$ 862,000
9	Roadway Mobilization	\$ 948,200
10	Supplemental Work	\$ 417,900
11	State Furnished	\$ 559,600
12	Time-Related Overhead	\$ 957,000
13	Roadway Contingency	\$ 2,472,900

<b>TOTAL ROADWAY ITEMS</b>	<b>\$ 14,837,000</b>
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Estimate Prepared By :

Name and Title	Date	Phone
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Estimate Reviewed By :

Name and Title	Date	Phone
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By signing this estimate you are attesting that you have discussed your project with all functional units and have incorporated all their comments or have discussed with them why they will not be incorporated.

**SECTION 1: EARTHWORK**

Item code		Unit	Quantity		Unit Price (\$)		Cost
190101	Roadway Excavation	CY	700	x	30.00	= \$	21,000
198010	Imported Borrow	CY	700	x	30.00	= \$	21,000
66150	Dewatering/ shoring	LS	1		50,000.00	= \$	50,000
170103	Clearing & Grubbing	LS	1	x	100,000.00	= \$	100,000
				x		\$	-

<b>TOTAL EARTHWORK SECTION ITEMS</b>	<b>\$</b>	<b>192,000</b>
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**SECTION 2: PAVEMENT STRUCTURAL SECTION**

Item code		Unit	Quantity		Unit Price (\$)		Cost
390132	Hot Mix Asphalt (Type A)	TON	153	x	120.00	= \$	18,360
390137	Rubberized Hot Mix Asphalt (Gap Graded)	TON	8,831	x	130.00	= \$	1,148,030
390402	Rubberized Hot Mix Asphalt (Open Graded)	TON	4,069	x	130.00	= \$	528,970
393004	Geosynthetic Pavement Interlayer (Paving Fabric)	SQYD		x	6.00	= \$	-
260203	Class 2 Aggregate Base	CY	849	x	50.00	= \$	42,450
397005	Tack Coat	TON	10	x	1,200.00	= \$	12,000
394090	Place Hot Mix Asphalt (Miscellaneous Area)	SQYD		x		= \$	-
398200	Cold Plane Asphalt Concrete Pavement	SQYD	63,502	x	2.80	= \$	177,806
731820	Remove Concrete Sidewalk and Driveway	CY	459	x	308.16	= \$	141,445
731510	Minor Concrete (Sidewalk and Driveway)	CY	1,343	x	704.91	= \$	946,694
398100	Remove Asphalt Concrete Dike	LF		x		\$	-

<b>TOTAL PAVEMENT STRUCTURAL SECTION ITEMS</b>	<b>\$</b>	<b>3,015,800</b>
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**SECTION 3: DRAINAGE**

Item code		Unit	Quantity	Unit Price (\$)			Cost
820112	Culvert Marker	EA	x	75.00	=	\$	-
152430	Adjust Inlet	EA	x	3,000.00	=	\$	-
510501	Minor Concrete	CY	x	4,000.00	=	\$	-
510092	STRUCTURAL CONCRETE, HEADWALL	CY	x	3,500.00	=	\$	-
510094	STRUCTURAL CONCRETE, DRAINAGE INLET	CY	x	3,500.00	=	\$	-
710132	REMOVE CULVERT (LF)	LF	x	80.00	=	\$	-
710150	REMOVE INLET	EA	x	1,000.00	=	\$	-
710152	REMOVE HEADWALL	EA	x	2,500.00	=	\$	-
820220	REMOVE MARKER	EA	x	45.00	=	\$	-
			x		=	\$	-
	Improving Drainage System	EA	1	2,500,000.00	=	\$	2,500,000
			x		=	\$	-
			x		=	\$	-
			x		=	\$	-
			x		=	\$	-
			x		=	\$	-

<b>TOTAL DRAINAGE ITEMS</b>	<b>\$ 2,500,000</b>
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**SECTION 4: SPECIALTY ITEMS**

Item code		Unit	Quantity	Unit Price (\$)			Cost
070030	Lead Compliance Plan	LS	1	5,000.00	=	\$	5,000
150661	Remove Guardrail	LF	x	15.00	=	\$	-
150668	Remove Flared End Section	EA	x	400.00	=	\$	-
832007	Midwest Guardrail System (Wood Post)	LF	x	45.00	=	\$	-
839584	Alternative In-line Terminal System	EA	x	4,000.00	=	\$	-
83954X	Transition Railing (Type WB-31)	EA	x	5,000.00	=	\$	-

<b>TOTAL SPECIALTY ITEMS</b>	<b>\$ 5,000</b>
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**SECTION 5: ENVIRONMENTAL****5A - ENVIRONMENTAL MITIGATION**

Item code	Unit	Quantity	Unit Price (\$)	Cost
130670 Temporary Reinforced Silt Fence	LF	x	= \$	-
141000 Temporary Fence (Type ESA)	LF	x	6.00 = \$	-
<i>Subtotal Environmental Mitigation</i>				\$ -

**5B - LANDSCAPE AND IRRIGATION**

Item code	Unit	Quantity	Unit Price (\$)	Cost
Irrigation	LS	1 x	514,000.00 = \$	514,000
Highway Planting	LS	1 x	284,900.00 = \$	284,900
Plant Establishment Work (1 year)	LS	1 x	30,000.00 = \$	30,000
<i>Subtotal Landscape and Irrigation</i>				\$ 828,900

**5C - EROSION CONTROL**

Item code	Unit	Quantity	Unit Price (\$)	Cost
210270 Rolled Erosion Control Product (Netting))	SQFT	10,000 x	1.00 = \$	10,000
210252 Bonded Fiber Matrix	SQFT	30,000 x	0.25 = \$	7,500
210010 Move in/Move out	EA	2 x	1,000.00 = \$	2,000
210350 Fiber Rolls	LF	7,000 x	2.80 = \$	19,600
<i>Subtotal Erosion Control</i>				\$ 39,100

**5D - NPDES**

Item code	Unit	Quantity	Unit Price (\$)	Cost
130300 Prepare SWPPP	LS	1 x	9,000.00 = \$	9,000
130100 Job Site Management	LS	1 x	10,000.00 = \$	10,000
130620 Temporary Drainage Inlet Protection	EA	12 x	250.00 = \$	3,000
130730 Street Sweeping	LS	1 x	20,000.00 = \$	20,000
XXXXXX Construction BMP	LS	1 x	100,000.00 = \$	100,000
<i>Subtotal NPDES</i>				\$ 142,000

**Supplemental Work for NPDES**

LS	x	= \$	-
LS	x	= \$	-
LS	x	= \$	-
LS	x	= \$	-
Subtotal Supplemental Work for NDPS			\$ -

\*Applies to all SWPPPs and those WPCPs with sediment control or soil stabilization BMPs.

\*\*Applies to both SWPPPs and WPCP projects.

\*\*\* Applies only to project with SWPPPs.

<b>TOTAL ENVIRONMENTAL</b>	<b>\$ 1,010,000</b>
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**SECTION 6: TRAFFIC ITEMS****6A - Traffic Electrical**

Item code	Unit	Quantity	Unit Price (\$)	Cost
Decorative Street Lighting System	LS	1 x	1,266,000.00 = \$	1,266,000
City electrical conduit	LS	1 x	213,000.00 = \$	213,000
Additional crosswalk	EA	1 x	60,000.00 = \$	60,000
860890 Modify Traffic Monitoring Station (Count)	LS	x	20,000.00 = \$	-
<i>Subtotal Traffic Electrical</i>				<u>\$ 1,539,000</u>

**6B - Traffic Signing and Striping**

Item code	Unit	Quantity	Unit Price (\$)	Cost
150742 Remove Roadside Sign	EA	x	150.00 = \$	-
152390 Relocate Roadside Sign	EA	16 x	350.00 = \$	5,600
840505 6" Thermoplastic Traffic Stripe	LF	15,968 x	2.00 = \$	31,936
120090 Construction Area Signs	LS	x	8,000.00 = \$	-
<i>Subtotal Traffic Signing and Striping</i>				<u>\$ 37,536</u>

**6C - Traffic Management Plan**

Item code	Unit	Quantity	Unit Price (\$)	Cost
128652 Portable Changeable Message Sign	LS	1 x	\$ 20,000 = \$	20,000
<i>Subtotal Traffic Management Plan</i>				<u>\$ 20,000</u>

**6C - Stage Construction and Traffic Handling**

Item code	Unit	Quantity	Unit Price (\$)	Cost
120100 Traffic Control System	LS	1 x	300,000.00 = \$	300,000
129110 Temporary Crash Cushion	EA	x	4,500.00 = \$	-
129000 Temporary Railing (Type K)	LF	x	45.00 = \$	-
<i>Subtotal Stage Construction and Traffic Handling</i>				<u>\$ 300,000</u>
				<u><b>\$ 1,896,600</b></u>



**SECTION 7: DETOURS**

Includes constructing, maintaining, and removal

Item code	Unit	Quantity	Unit Price (\$)	Cost
XXXXXX Some Item	Unit	x	= \$	-
<b>TOTAL DETOURS</b>				<b>\$ -</b>
<b>SUBTOTAL SECTIONS 1 through 7</b>				<b>\$ 8,619,400</b>

**SECTION 8: MINOR ITEMS****8A - Americans with Disabilities Act Items**

ADA Items	4.0%	\$	344,776
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**8B - Bike Path Items**

Bike Path Items	4.0%	\$	344,776
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**8C - Other Minor Items**

Other Minor Items	2.0%	\$	172,388
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Total of Section 1-7	\$	8,619,400	x	10.0%	= \$	861,940
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<b>TOTAL MINOR ITEMS</b>	<b>\$ 862,000</b>
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**SECTIONS 9: MOBILIZATION**

Item code						
999990	Total Section 1-8	\$	9,481,400	x	10%	= \$ 948,140

<b>TOTAL MOBILIZATION</b>	<b>\$ 948,200</b>
---------------------------	-------------------

**SECTION 10: SUPPLEMENTAL WORK**

Item code	Unit	Quantity	Unit Price (\$)	Cost
066670 Payment Adjustments For Price Index Fluctuations	LS	1	x 19,100.00 = \$	19,100
066919 Dispute Resolution Board	LS	1	x 7,500.00 = \$	7,500
066921 Dispute Resolution Advisor	LS	1	x 5,000.00 = \$	5,000
066015 Federal Trainee Program	LS		x = \$	-
066610 Partnering	LS	1	x 7,000.00 = \$	7,000

Cost of <b>NPDES</b> Supplemental Work specified in Section 5D	= \$	-
--	------	---

Total Section 1-8	\$	9,481,400	4%	= \$	379,256
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<b>TOTAL SUPPLEMENTAL WORK</b>	<b>\$ 417,900</b>
--------------------------------	-------------------

**SECTION 11: STATE FURNISHED MATERIALS AND EXPENSES**

Item code			Unit				Cost	
066105	Resident Engineers Office					=	\$	174,100
	- Construction Cost Estimate	\$	12,700,000					
	- Estimated Working Days		140					
	- Plant Establishment Period		-					
*	- Initial Office Setup (IOS)	\$	-	\$	5,000			
Item code			Unit		Quantity		Unit Price (\$)	Cost
066063	Traffic Management Plan - Public Information		LS		1	x	10,000.00	= \$10,000
066901	Water Expenses		LS			x		= \$0
8609XX	Traffic Monitoring Station (X)		LS			x		= \$0
066841	Traffic Controller Assembly		LS			x		= \$0
066840	Traffic Signal Controller Assembly		LS			x		= \$0
066062	COZEED Contract		WD		70	x	1,300.00	= \$91,000
066838	Reflective Numbers and Edge Sealer		LS			x		= \$0
066065	Tow Truck Service Patrol		LS			x		= \$0
066916	Annual Construction General Permit Fee		LS			x		= \$0
XXXXXX	Some Item		Unit			x		= \$0
Total Section 1-8				\$	9,481,400	3%	= \$	284,442

\* Minimum \$5K on every project

<b>TOTAL STATE FURNISHED</b>	<b>\$559,600</b>
------------------------------	------------------

**SECTION 12: TIME-RELATED OVERHEAD**

Total of Roadway and Structures Contract Items excluding Mobilization \$9,569,400 (used to calculate TRO)  
 Total Construction Cost (excluding TRO and Contingency) \$11,503,100 (used to check if project is greater than \$5 million excluding contingency)

Estimated Time-Related Overhead (TRO) Percentage (0% to 10%) = **10%**

Item code	Unit	Quantity	Unit Price (\$)	Cost
070018 Time-Related Overhead	WD	140	X \$6,219	= \$957,000

<b>TOTAL TIME-RELATED OVERHEAD</b>	<b>\$957,000</b>
------------------------------------	------------------

Note: If the building portion of the project is greater than 50% of the total project cost, then TRO is not included.

**SECTION 13: ROADWAY CONTINGENCY**

Recommended Contingency: (Pre-PSR 30%-50%, PSR 25%, Draft PR 20%, PR 15%, after PR approval 10%, Final PS&amp;E 5%)

Total Section 1-12	\$	12,364,100	x	<b>20%</b>	=	\$2,472,820
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<b>TOTAL CONTINGENCY</b>	<b>\$2,472,900</b>
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**II. STRUCTURE ITEMS**

DATE OF ESTIMATE	00/00/00		00/00/00		00/00/00
Name	XXXXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX
Bridge Number	Retaining Wall		57-XXX		57-XXX
Structure Type	XXXXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX
Width (Feet) [out to out]	4 LF		0 LF		0 LF
Total Length (Feet)	100 LF		0 LF		0 LF
Total Area (Square Feet)	400 SQFT		0 SQFT		0 SQFT
Structure Depth (Feet)	1 LF		0 LF		0 LF
Footing Type (pile or spread)	XXXXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX
Cost Per Square Foot	\$200		\$0		\$0
<b>COST OF EACH</b>	<b>\$80,000</b>		<b>\$0</b>		<b>\$0</b>

DATE OF ESTIMATE	00/00/00		00/00/00		00/00/00
Name	XXXXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX
Bridge Number	57-XXX		57-XXX		57-XXX
Structure Type	XXXXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX
Width (Feet) [out to out]	0 LF		0 LF		0 LF
Total Length (Feet)	0 LF		0 LF		0 LF
Total Area (Square Feet)	0 SQFT		0 SQFT		0 SQFT
Structure Depth (Feet)	0 LF		0 LF		0 LF
Footing Type (pile or spread)	XXXXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXXXX
Cost Per Square Foot	\$100		\$0		\$0
<b>COST OF EACH</b>	<b>\$0</b>		<b>\$0</b>		<b>\$0</b>

<b>TOTAL COST OF BRIDGES</b>	<b>\$80,000</b>
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<b>TOTAL COST OF BUILDINGS</b>	<b>\$0</b>
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Structures Mobilization Percentage	10%	<b>\$8,000</b>
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Recommended Contingency: (Pre-PSR 30%-50%, PSR 25%, Draft PR 20%, PR 15%, after PR approval 10%, Final PS&E 5%)

Structures Contingency Percentage	10%	<b>\$8,000</b>
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<b>TOTAL COST OF STRUCTURES</b>	<b>\$96,000</b>
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Estimate Prepared By: \_\_\_\_\_  
 XXXXXXXXXXXXXXXXXXXX ----- Division of Structures

\_\_\_\_\_  
 Date

**III. RIGHT OF WAY**

Fill in all of the available information from the Right of Way data sheet.

A)	Acquisition, including Excess Land Purchases, Damages & Goodwill, Fees	\$	607,438
B)	Appraisal Fees	\$	185,000
C)	Mitigation Acquisition & Credits	\$	
D)	Project Development Fees	\$	11,002
E)	Utility Relocation (State's Share)	\$	550,000
F)	Relocation Assistance (RAP and/or Last Resort Housing Costs)	\$	25,000
G)	Clearance/Demolition	\$	
H)	Title and Escrow	\$	144,000
I)	Condemnation Settlements	<u>0%</u>	\$
J)	Design Appreciation Factor	<u>0%</u>	\$
K)	Utility Relocation (Construction Cost)	\$	

L)	<b>TOTAL RIGHT OF WAY ESTIMATE</b>	<b>\$1,522,440</b>
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M)	<b>TOTAL R/W ESTIMATE: Escalated</b>	<b>\$1,661,000</b>
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N)	<b>RIGHT OF WAY SUPPORT</b>	<b>\$0</b>
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Construction contact Work	2,500
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Support Cost Estimate Prepared By	Project Coordinator <sup>1</sup>	Phone
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Utility Estimate Prepared By	Utility Coordinator <sup>2</sup>	Phone
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R/W Acquisition Estimate Prepared By	Right of Way Estimator <sup>3</sup>	Phone
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Note: Items G &amp; H applied to items A + B

<sup>1</sup> When estimate has Support Costs only<sup>2</sup> When estimate has Utility Relocation<sup>3</sup> When R/W Acquisition is required

**Attachment G**  
**Traffic Management Plan Data Sheet**

# Memorandum

*Seriousdrought.  
Help Save Water!*

**To:** Kusz Jaroslaw  
Project Engineer

**Date:** Aug 31, 2021

**File:** 03-1H140  
03-But-99-PM-R3.1/5.0

**From:** Nhan Bui  
TMP Coordinator  
D3-Transportation Management Planning Office

**Subject:** Transportation Management Plan (TMP) Data Sheet

## **Background**

- This project is located on multi-lane highway and two-lane, two-way highway, with a daily peak-hour volume (in both directions) of 2,400 vph. This project proposes to bring the curb ramps to current ADA standards and will address other highway appurtenances including upgrading drainage facilities, installing fiber optic, adding new TMS elements including bike loop detectors, and CCTV.
- For traffic volumes refer to Table-1.

Table-1: Traffic Volumes (2019 Traffic Volumes on California State Highways)				
Location Description	Type of Roadway	Peak-Hour (both directions combined) (vph)	% Truck Traffic	AADT (vpd)
03-But-99 PM R3.1/5.0	Multi-lane & 2-Lane, 2-Way	2,400	9.0	23,900

## **Recommendations**

- On Route 99 in Butte County, lane and shoulder closures will be allowed during daytime hours but may be restricted during peak hours.
- Whenever one-way traffic control is maintained, traffic should be stopped for periods not to exceed 10 minutes, after which accumulated traffic shall pass through before another closure is made.
- On 2-lane, 2-way roadway, a minimum of one paved traffic lane, not less than 11 feet

wide, shall be open for use by public traffic.

- When closures occur within 200 feet of an intersection, flaggers shall be deployed to control all legs of the intersection.
- On multilane roadway, a minimum of one paved traffic lane, not less than 11 feet wide, shall be open in each direction of travel at all times.
- Lane closures on multilane roadways will be performed in accordance with Standard Plan Sheet T11 & T12.
- Lane closures on the two-lane, two-way roadway will be performed with reversible traffic control using flaggers, in accordance with Revised Standard Plan sheet T13.
- The maximum length of any lane closure shall be limited to 0.45 mile
- Portable changeable message signs (PCMS) will be required in direction of traffic during construction for each lane closure and shoulder closure.
- No lane closures, shoulder closures, or other traffic restrictions will be allowed on Special Days, designated legal holidays and the day preceding designated legal holidays, and when construction operations are not actively in progress.
- Work at these locations may require the assistance of COZEED, but a full time COZEED presence is not anticipated.
- Coordination with projects within, or nearby the project limits will be required to avoid conflicts.
- Lane closure charts will have to be developed prior to P&E

### **Cost**

- For estimating purposes, use \$3,000 per working day to estimate the costs that are required for the Traffic Management Plan (TMP) items. These items include Traffic Control System, Portable Changeable Message Signs, Maintain Traffic, Automated Flagger Assistance Device, and TMP-Public Information.
- COZEED is estimated at \$1,150 per working day and \$2,300 per working night whenever CHP involvement is needed during construction. COZEED estimate should include 2 officers per vehicle when performing night work.
- If there is a change in the scope of the project or the order of work (schedule), please advise the TMP unit, as this may affect the TMP estimate

### **P & E Requirement**

To complete a TMP for this project, please provide the following to the Office of Traffic Management Planning at least three months prior to P&E: project description, title sheet, typical cross sections, layout sheets, stage construction and traffic handling plans, detour plans, construction cost estimates, number of traffic controlling days, project schedule, and a contact person.

### **List of Attachments:**

- TMP Checklist

**D-3 TRANSPORTATION MANAGEMENT PLAN CHECKLIST**

District / EA: 03-1H140  
 Date Prepared: August 31, 2021  
 Prepared By: Nhan Bui

Co.Rte.-PM. But-99-PM R3.1/5.0  
 Location Butte County

Stage of Project (X box) ☐ PID ☐ PSR ☒ PR ☐ PS&E

Description: Road Reb.

REQUIRED	RECOMMENDED	NOT APPLICABLE	BEES Item No.	COMMENTS	UNIT COST	REQUIRED IN SPEC.
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**1.0 Public Information Strategies**

- 1.1 Brochures and Mailers
- 1.2 Media Releases (& minority media sources)
- 1.3 Paid Advertising
- 1.4 Public Information Center
- 1.5 Public Meetings/Speakers Bureau
- 1.6 Project Telephone Hotline
- 1.7 Internet, E-Mail
- 1.8 Local cable TV and News
- 1.9 Notification to Impacted groups  
(i.e. bicycle users, pedestrians with disabilities, others)
- 1.10 Project Web Page
- 1.11 Caltrans Public Information Office
- 1.12 Consultant Public Information Office
- 1.13 Other items

	X					
	X					
		X				
		X				
		X	066063			
		X				
		X				
		X				
		X				
		X				
		X				
		X				
		X	066063			
		X				
		X				

**2.0 Traveler Information Strategies**

- 2.1 Changeable Message Signs (permanent)
- 2.2 Changeable Message Signs (portable)
- 2.3 Special Construction Signs
- 2.4 Traveler Information Systems (CHIN/Internet)
- 2.5 Highway Advisory Radio "HAR" (fixed or mobile)
- 2.6 Radar Speed Sign
- 2.8 Revised Transit Schedules/ Maps
- 2.9 Bicycle community information
- 2.10 Other item

		X				
X			128652			
		X	120690			
		X	861985			
		X	860520			
		X	120201			
		X				
		X				
		X				

**3.0 Incident Management**

- 3.1 COZEEP
- 3.2 Freeway Service Patrol (tow truck service patrol)
- 3.3 Traffic Surveillance Stations (loops or CCTV)
- 3.4 Transportation Management Center
- 3.5 Traffic Control Inspector (Caltrans)
- 3.6 Traffic Management Team
- 3.7 On-site Traffic Advisor (contractor)
- 3.8 Other Items

	X		066062			
		X	066065			
		X	066876			
		X				
X						
	X					
	X					
	X					

**4.0 Construction Strategies**

- 4.1 Delay damage clause
- 4.2 Night work
- 4.3 Weekend Work
- 4.4 Extended Weekend Closures
- 4.5 Planned Lane Closures
- 4.6 Planned Ramp/Connector Closures
- 4.7 Total Facility Closure
- 4.8 Project Phasing
- 4.9 Truck Traffic Restrictions
- 4.10 Reduced Lane Widths

		X				
X						
		X				
		X				
		X				
		X				
		X				
		X				
		X				
		X				



**4.0 Construction Strategies (Continued)**

- 4.11 Temporary K-Rail
- 4.12 Temporary Traffic Screens
- 4.13 Reduced Speed Zones
- 4.14 Traffic Control Improvements
- 4.15 Contingency Plans
  - 4.15.1 Material Plant on standby
  - 4.15.2 Extra Critical Equipment on site
  - 4.15.3 Material Testing Plan
  - 4.15.4 Alternate Material on site  
(In case of failure or major delays)
  - 4.15.5 Emergency Detour Plan
  - 4.15.6 Emergency Notification Plan
  - 4.15.7 Weather Conditions Plan
  - 4.15.8 Delay Timing and Documentation Plan
  - 4.15.9 Late Closure Reopening Notification
- 4.16 Signal timing modification
- 4.17 Coordination with adjacent construction
- 4.18 Right of Way Delay
- 4.19 Other Items

REQUIRED	RECOMMENDED	NOT APPLICABLE	BEES Item No.	COMMENTS	UNIT COST	REQUIRED IN SPEC.
		X	129000			
		X	129150			
		X				
		X				
X						
		X				
	X					
		X				
		X				
		X				
		X				
X						
		X				
X						
		X				
		X	066022			
		X				

**5.0 Demand Management**

- 5.1 HOV Lanes/Ramps
- 5.2 Ramp metering
- 5.3 Park-and-Ride Lots
- 5.4 Parking Management/Pricing
- 5.5 Rideshare Incentives
- 5.6 Rideshare Marketing
- 5.7 Transit, Train, or Light-Rail Incentives
- 5.8 Transit Service Modification
- 5.9 Variable Work Hours
- 5.10 Telecommute
- 5.11 Other Items

		X				
		X				
		X				
		X				
		X				
		X	066069			
		X	066066			
		X				
		X				
		X				
		X				

**6.0 Alternate Route Strategies**

- 6.1 Ramp Closures
- 6.2 Street Improvements
- 6.3 Reversible Lanes
- 6.4 Temporary Lanes or Shoulders Use
- 6.5 Freeway to freeway connector closures
- 6.6 Encroachment Permit from City/County

		X				
		X				
		X				
		X				
		X				
		X				

**7.0 Other Strategies**

- 7.1 Application of new technology
- 7.2 Other Items

		X				
		X				

**Comments:**


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**Attachment H**  
**Landscape Architecture Assessment Sheet**



**NORTH REGION  
LANDSCAPE ARCHITECTURE ASSESSMENT SHEET**  
03-LAND-0002 (Rev. 2020-APRIL-07)

<b>TO: Jaroslaw Kusz</b> <b>FROM: Cathy Wei/ Jeff Juarez</b> <b>Unit/Senior: Jaroslaw Kusz</b> <b>Project Manager: Chris Ladeas</b> <b>PM Assistant: Kasen Knight</b>	<b>DISTRICT: 03</b> <b>DATE: 11/12/2021</b> <b>EA: 03-1H140</b> <b>ID: 0316000060</b>	<b>CO: BUT</b>	<b>RTE: 99</b>	<b>PM: 3.1/ 5.0</b>
<b>CONTRACT SEPARATION:</b> <input checked="" type="checkbox"/> Roadside work as part of roadway work EA <input type="checkbox"/> Roadside work for roadway project to follow under separate EA	<b>PROJECT: Butte 99 Road Rehab in Gridley</b> <b>FUNDING SOURCE: SHOPP</b> <b>PROJECT MILESTONE:</b> <input type="checkbox"/> PID <input checked="" type="checkbox"/> PA&ED <input type="checkbox"/> PS&E <b>PROJECT COST (In thousands): 10,000</b> <b>DISTRICT (x1000) \$ 10,000      STRUCTURES (x1000) \$</b>			
<b>PROJECT DESCRIPTION</b> <p>This alternative would repair pavement with a 5-year design life to address pavement distress and deterioration, rehabilitate culverts, remove and replace non-standard curb ramps, and install TMS elements. A new 8-foot sidewalk with 3-foot landscape area will be added on the east side from Liberty Road to Dollar General Store.</p> <p>The existing sidewalk on east side will be replaced with 8-foot sidewalk with 3-foot landscape area from Dollar Store to north end of the project.</p> <p>The electric conduits will be added under new sidewalk from Liberty Road to the north end of the project. Street lighting will be constructed on the east side of SR 99 from Liberty Road to north end of the project, approximately 63 lights are being proposed.</p> <p>The project scope includes the following work:</p> <ul style="list-style-type: none"><li>• 0.25' RHMA grind &amp; overlay</li><li>• 0.50' digouts (where alligator cracking is greater than 20%)</li><li>• Place shoulder backing in locations without curb and gutter</li><li>• Replace existing curb ramps with ADA compliant curb ramps (3)</li><li>• Replace pavement striping and markers</li><li>• Rehab culverts by relining or replacing</li><li>• Remove drainage inlet (1) at PM 4.08</li><li>• Install fiber optic</li><li>• Install CCTV (1) – Intersection of SR 99 and East Gridley (PM 4.1)</li><li>• Install loop detection</li><li>• New and replaced sidewalk</li><li>• Two new crosswalks with push button</li><li>• Street lighting</li><li>• Electrical conduits – placed 3' under the proposed sidewalk Primary Conduit Bank (4-5" conduits) – From Liberty Road to Dollar General, Secondary Conduit Bank (4 – 3" conduits) – From Liberty Road to north end of the project.</li></ul> <p><b><u>PURPOSE- project goal</u></b></p> <p>The purpose of the project is to maintain the highway corridor, provide safe and serviceable facilities for the traveling public, and enhance bike and pedestrian connectivity. This will be accomplished by:</p> <ul style="list-style-type: none"><li>• Improving traffic operations and motorist ride quality</li><li>• Providing necessary drainage facilities</li><li>• Expanding multimodal traffic opportunities</li><li>• Enhancing visual quality and safety of the corridor</li><li>• Creating a corridor that is accessible to all by updating American with Disabilities Act (ADA) facilities</li></ul>				



**NEED- transportation deficiency**

The pavement exhibits signs of distress and deterioration resulting in poor ride quality. Fiber optics, loop detection, closed circuit television (CCTV) system, and complete streets elements are incomplete within the project limits. Existing curb ramps, driveways, and intersection crossing do not meet current ADA standards. Sidewalk facilities need to be expanded through the project limits to improve connectivity and multimodal accessibility. Drainage improvements throughout the project limits are required to accommodate the improvements.

**SCENIC HIGHWAY STATUS** ☐ Officially Designated ☐ Eligible ☒ Not Designated

**HIGHWAY PLANTING/IRRIGATION BACKGROUND INFORMATION**

<b>LANDSCAPE FREEWAY STATUS</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>WARRANTED HIGHWAY PLANTING</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>(E) H2O &amp; POWER AVAILABLE</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>(E) IRRIGATION IMPACTED</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>COOP. MAINT. AGREEMENTS</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>ADJ. TO OUTDOOR ADVERTISING</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**AREA (Ft<sup>2</sup>/ACRE) FOR HIGHWAY PLANTING:** Approx. 34,000 SQ FT

Area: The approx. total planting area comes from the 3' wide planter strip estimated at 1.5-mile (7,920ft) length, plus 10 SQ FT per tree for 100 trees. 100 trees are included to alleviate the removal of some existing mature street trees.

Water and Power: Based on as-builts, there is no existing dedicated irrigation water supply for Caltrans landscape. A power source may be available to connect Caltrans irrigation controllers. This should be verified by the PDT. The LAAS assumes new water connections, irrigation meters and controllers at each block, due to the City Engineer's request to NOT have waterline crossings at intersections.

**EROSION CONTROL BACKGROUND INFORMATION**

<b>SOIL DISTURBANCE</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>CONCENTRATED FLOW AREAS</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>SLOPE LOCATIONS</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>SLOPES &gt; 2:1</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Very small areas at isolated locations of ditch regrading will have slopes of 2:1 or sleeper.

**AREA (Ft<sup>2</sup>/ACRE) FOR EROSION CONTROL:** Approx. 30,000 SQ FT

Area: Regrading behind SW between Liberty Rd and Dollar General Store. Approx 3,800 ft long @ 5' wide. Plus 5 locations of drainage channel/ ditch regrading.

**MITIGATION BACKGROUND INFORMATION**

<b>PROJECT BIOLOGIST:</b>	Michael Burleson	Contact Date: <u>11/09/2021</u>
<b>BIOLOGICAL REVEG. REQUIRED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Applicable Permits: <u>404, 401, 1602</u>
<b>VISUAL IMPACT MIT. REQUIRED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>UNIT TASKED w/ BIO. REVEG.</b>	<input type="checkbox"/> Landscape Architecture <input type="checkbox"/> Stewardship	

**PLANT COUNT FOR MITIGATION PLANTING:** N/A

**ROADSIDE MAINTENANCE SAFETY NEEDS** N/A

**ROADSIDE VEGETATION MANAGEMENT TREATMENT NEEDS** N/A

**CONTEXT SENSITIVITY** N/A

**CONSIDER ADDITIONAL AESTHETIC TREATMENT FOR:** N/A



**NORTH REGION  
LANDSCAPE ARCHITECTURE ASSESSMENT SHEET**  
03-LAND-0002 (Rev. 2020-APRIL-07)

**PROBABLE COST**

**03-1H140 BUT 99 Road Rehab, Gridley**

**EROSION CONTROL**

	Item No.	Unit	Quantity	Unit Price (\$)	Rounded Cost (\$)
<b>Soil Stabilization</b>					
Bonded Fiber Matrix	210252	SQFT	30,000	0.25	7,500.00
Rolled Erosion Control Product (Netting)	210270	SQFT	10,000	1.00	10,000.00
Move-In/Move-Out	210010	EA	2	1,000.00	2,000.00
<b>Sediment Control</b>					
Fiber Rolls	210350	LF	7,000	2.80	19,600.00

**EROSION CONTROL SUBTOTAL (\$) 39,100**

**HIGHWAY PLANTING**

**Planting**

Soil Amendment	202006	CY	55	90.00	5,000.00
Trees (with fertilizer)	204038	EA	100	250.00	25,000.00
Tree grate (metal)	038007	EA	50	2,500.00	125,000.00
Root Barrier	205062	LF	2,000	8.00	16,000.00
Shrubs and GC (2.5' o.c. triangulated)	204XX	SQFT	24,000	4.00	96,000.00
Mulch	205035	CY	223	80.00	17,900.00

**PLANTING SUBTOTAL (\$) 284,900**

**Irrigation**

Water Meters (may be installed by the City)	995100	LS	1	30,000.00	30,000.00
Backflow Preventer Assembly	208426	EA	8	5,000.00	40,000.00
Irrigation Controller	206758	EA	8	10,000.00	80,000.00
Master Valve	206565	EA	8	1,500.00	12,000.00
Flow Sensor	208442	EA	8	1,500.00	12,000.00
Irrigation system (include Remote Control Valves, Gate Valves, PVC pipe and tubing, sprinklers/ bubblers, Quick Coupling Valves, etc.)	20XXXX	SQFT	34,000	10.00	340,000.00

**IRRIGATION SUBTOTAL (\$) 514,000**

**Plant Establishment Work (1 year)\***

LS 1 30,000.00 30,000.00

**PROJECT TOTAL (\$) 868,000**

\*Plant Establishment period needed to ensure installation quality. Landscape will be maintained by the City with a coop. maintenance agreement, after contractor finishes PE.

**Notes: Above estimate does not include added cost for:**

- Contour grading.
- Tree removal associated with 'Clearing and Grubbing'.
- Chipping and stockpiling woody debris as part of 'Clearing and Grubbing'.
- Temporary erosion control/ water pollution control.
- Soil decompaction, soil excavation, and import topsoil.
- Project is anticipating acquiring R/W from over 70 adjacent properties. The potential costs for plant and irrigation removal and repair of these properties are not included.

PREPARED BY:

*Cathy Wei*

DATE: 11/16/2021

CONCURRED BY:

*Christopher S. Ladars*  
(Project Manager)

DATE: 11/17/2021

APPROVED BY:

*Nicki Johnson*

DATE: 11/16/2021

**Attachment I**  
**Stormwater Data Report**



Dist-County-Route: 03-Butte-99

Post Mile Limit: PM 3.1-5.0

Type of Work: Pavement Rehabilitation, upgrade sidewalk and bring non-standard curb ramps to ADA Standards.

Project ID (EA): 03-1H140

Program Identification: \_\_\_\_\_

Phase: ☐ PID ☒ PA/ED ☐ PS&E

Regional Water Quality Control Board(s): \_\_\_\_\_

Total Disturbed Soil Area: 3.7 acres PCTA: \_\_\_\_\_

Alternative Compliance (acres): \_\_\_\_\_ ATA 2 (50% Rule)? Yes ☐ No ☒

Estimated Const. Start Date: 06/15/2026 Estimated Const. Completion Date: 08/15/2028

Risk Level: RL 1 ☐ RL 2 ☐ RL 3 ☐ WPCP ☐ Other: \_\_\_\_\_

Is MWELo applicable? Yes ☐ No ☒

Is the Project within a TMDL watershed? Yes ☐ No ☒

TMDL Compliance Units (acres): \_\_\_\_\_

Notification of ADL reuse (if yes, provide date): Yes ☐ Date: \_\_\_\_\_ No ☒

***This Report has been prepared under the direction of the following Licensed Person. The Licensed Person attests to the technical information contained herein and the date upon which recommendations, conclusions, and decisions are based. Professional Engineer or Landscape Architect stamp required at PS&E only.***

\_\_\_\_\_  
[Name], Registered Project Engineer/Landscape Architect Date

***I have reviewed the stormwater quality design issues and find this report to be complete, current and accurate:***

\_\_\_\_\_  
[Name], Project Manager Date

\_\_\_\_\_  
[Name], Designated Maintenance Representative Date

\_\_\_\_\_  
[Name], Designated Landscape Architect Representative Date

**Attachment J**  
**Programming Sheet**



# Programming Sheet with Risk and OE



AMS ID: 0316000060

EA: 03-1H140

COUNTY:

ROUTE: 099

POSTMILE: R3.1/5

Project Manager:	LADEAS, CHRISTOPHER S	PM Assistant:	HUFFMAN, JOSHUA D	Project Nickname:	Butte 99 Road Rehab In Gridley
Project Description - Long:	In and near Gridley, from Hollis Lane to north of Ford Avenue.				
Work Description - Long:	Rehabilitate pavement, upgrade TMS elements, rehabilitate drainage systems, and upgrade facilities to ADA standards.				
PPNO: 2435	Program: shopp	RPT: No	Funding: No	PROGRAM YR: 2024	Working Days: 140
Open for Time: Yes	Subprogram: Roadway Rehabilitation	CT Status: APL	RMP:	RMP Date:	
10 Yr SHOPP: Yes	AADD: No	Dist: SB1 RMRA	FED Aid Eligible: YES (PE & RW only)		

MS	MS Description	MS Date	
M000	ID NEED	08/05/2015	(A)
M003	BEGIN FUNCT PID	06/04/2018	(A)
M006	DRAFT FOR DIST CIRC	10/10/2018	(A)
M009	FINAL DRAFT FOR	11/02/2018	(A)
M010	APPROVE PID	06/28/2019	(A)
M015	PROG PROJ	05/14/2020	(A)
M020	BEGIN ENVIRO	10/07/2020	(A)
M040	BEGIN PROJ	07/16/2020	(A)
M120	CIRC DPR & DED EXT	12/31/2021	(T)
M200	PA&ED	04/01/2022	(T)
M224	R/W REQTS	01/14/2022	(T)
M225	REGULAR R/W	04/01/2022	(T)
M300	CIRC PLANS IN DIST	08/01/2023	(T)
M313	60% CONST REVIEW	08/21/2023	(T)
M377	PS&E TO DOE	11/02/2023	(T)
M410	R/W CERT	12/15/2023	(T)
M430	DCR	12/19/2023	(T)
M460	RTL	01/10/2024	(T)
M470	FUND ALLOCATION	03/15/2024	(T)
M480	HQ ADVERT	02/20/2024	(T)
M490	BIDS OPEN	03/25/2024	(T)
M495	AWARD	04/25/2024	(T)
M500	APPROVE CONTRACT	05/29/2024	(T)
M600	CONTRACT ACCEPT	06/15/2026	(T)
M700	FINAL REPORT	06/15/2027	(T)
M800	END PROJ EXP	08/15/2028	(T)
M900	FINAL PROJ	08/16/2029	(T)

Env

CE (NEPA), IS

Capital Cost Estimates (\$k)

	Amount \$k	EST Date
Roadway	14837	12/02/21
Structures	96	12/02/21
Const Total	14933	
ROW	1661	10/29/21
Total	16594	

Risk & Operating Expense Budget

	Risk Bud. (\$k)	OE (\$k)
Phase 0 - PAED	\$0	\$0
Phase 1 - PS&E	\$0	\$0
Phase 2 - RW	\$0	\$0
Phase 3 - Con	\$0	\$0
Phase 4 - Con Cap	\$0	\$0
Phase 9 - RW Cap	\$0	\$0
Total	\$0	\$0

Note: For Phase 0, 1, 2 and 3, only enter Risk Budget amount if not already entered in PRSM

Funding Info (\$k)						
Fund Source	PA&ED	PS&E	ROW	CON	ROW CAP	CON CAP
4050201.120	0	0	0	0	0	0
2010201.121	915	1180	510	1480	0	0
2020201.121	0	0	0	0	600	11700
<b>Total:</b>	<b>915</b>	<b>1,180</b>	<b>510</b>	<b>1,480</b>	<b>600</b>	<b>11,700</b>

Capital Cost Est.(\$k)	
FY Mid M500-M600	2025
CC Escalation %:	3.20%
CC Escalated \$:	16,413
ROW CAPITAL:	1,661
<b>TOTAL:</b>	<b>18,074</b>

PROJECT SUPPORT COSTS (\$k)									
Phase Esc.	PRIOR	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	Future	Total	Sup/Cap %
Rate	ACT \$	ETC (0.00%)	(3.00%)	(3.00%)	(3.00%)	(3.00%)	(3.00%)		
0	743	201	0	0	0	0	0	945	5.23%
1	0	101	833	611	0	0	0	1,544	8.55%
2	0	329	1,360	747	179	184	181	2,980	16.49%
3	0	0	0	60	679	676	200	1,615	8.94%
TOTAL SUPPORT COSTS:								7,084	39.21%
TOTAL PROJECT COSTS:								25,158	

PROJECT SUPPORT PYs									
Division	PRIOR	2021	2022	2023	2024	2025	Future	Total	
	ACT PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs	
03 ADMN	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.02	
03 CONS	0.15	0.03	0.08	0.32	2.06	1.98	0.28	4.89	
03 ENVM	0.70	0.49	0.43	0.32	0.17	0.17	0.29	2.57	
03 ESRV	0.75	0.15	0.84	0.51	0.04	0.04	0.03	2.36	
03 MTCE	0.03	0.01	0.02	0.00	0.00	0.00	0.01	0.08	
03 NCOS	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.01	
03 PPM	0.39	0.04	0.15	0.14	0.09	0.09	0.17	1.06	
03 PRJD	1.01	0.07	0.51	0.49	0.01	0.01	0.01	2.11	
03 RWLS	0.29	1.59	6.36	3.30	0.68	0.68	0.64	13.52	
03 SURV	0.96	0.23	0.93	0.57	0.38	0.37	0.18	3.62	
03 TO44	0.00	0.29	0.00	0.00	0.00	0.00	0.00	0.29	
03 TPLN	1.69	0.01	0.01	0.00	0.00	0.00	0.00	1.72	
03 TROP	0.18	0.07	1.00	0.55	0.17	0.16	0.01	2.14	
03 TOTALS :	6.16	2.99	10.35	6.20	3.60	3.50	1.62	34.39	
Division	PRIOR	2021	2022	2023	2024	2025	Future	Total	
	ACT PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs	
59 BDSN	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	
59 PPM	0.00	0.00	0.00	0.16	0.00	0.00	0.00	0.17	

AMS ID: 0316000060

EA: 03-1H140

COUNTY:

ROUTE: 099

POSTMILE: R3.1/5

59	Division	PRIOR	2021	2022	2023	2024	2025	Future	Total
		ACT PYS	ETC PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs
	TOTALS :	0.01	0.00	0.00	0.16	0.00	0.00	0.00	0.18
	Division	PRIOR	2021	2022	2023	2024	2025	Future	Total
		ACT PYS	ETC PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs	ETC PYs
		0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.32
	TOTALS :	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.32
	PROJECT TOTALS:	6.49	2.99	10.35	6.36	3.60	3.50	1.62	34.89

Comments:

**Attachment K**  
**Risk Management Matrix**

# Qualitative Risk Register

District: 03 ▾

EA:

EFIS:

Project Nickname: Butte 99 Road Rehab In Gridley

District: 03

EA: 1H140

EFIS: 0316000060

Status: APL

County: BUT

Route: 099


Program: SHOPP

PM: LADEAS, CHRISTOPHER S

Risk Status: Active ▾

Sort By: Probability/Impact Score ▾ ⓘ

Export



New Risk

<b>Risk 001</b>		RBS:	Owner:	Updated:
Status: Active	Late Identification of Utility Conflicts	R/W	Adrian Metcalf	01-05-2022
<div>Retire</div> <div>Edit</div>				
Description	Due to potential utility conflicts, there may be a need for additional right of way to accommodate electric poles and/or vegetation management easements on private property that are not yet accounted for. There may also be underground facilities that require extensive lead time for relocation or design adjustments to allow for protection in place.			
Status	Risk is high and could cause delay to project certification.			
Response Options	Utility conflicts and easements need to be identified by March 2022.			

Impacts	Cost Impact		Schedule Impact		Probability/Impact				
	Probability	Cap	Sup	Dev	Con	Cap	Sup	Dev	Con
	High	High	High	High	High	H	H	H	H
	Assessment Notes	Risk Origination date 11/15/2018 C. Davidson Updated Risk Owner 9/21/2021							

**Risk 021**

Status: Active

Underground Conflicts

RBS:

Construction

Owner:

Matt Solano

Updated:

12-07-2021

[Retire](#)[Edit](#)

Description	As a result of project location unidentified and/or abandoned utilities may be encountered when excavating for any planned infrastructure, which would incur additional costs and schedule delays to mitigate.								
Status	Accept								
Response Options	Thoroughly review the most updated as-built plans, Evaluate site conditions, and pothole extensively prior to construction. Ensure contractor thoroughly evaluates their underground mapping to alleviate or minimize impacts.								

Impacts	Cost Impact				Schedule Impact		Probability/Impact			
	Probability	Cap	Sup	Dev	Con	Cap	Sup	Dev	Con	
		Moderate	Moderate	Low	Low	Moderate	M	L	L	M
		Assessment Notes	Risk origination 12/1/2021 Matt Solano							

**Risk 016**

Status: Active

Abandoned Underground Utilities

RBS:

Construction

Owner:

Matt Solano

Updated:

01-07-2022

[Retire](#)[Edit](#)

Description	As a result of discovering abandoned underground utilities, additional costs and postponements will arise during Construction.								
Status									
Response Options	Potholing and utilities investigation will be performed to identify existing utilities. Potholing is set to be performed in March 2022								

Impacts	Cost Impact		Schedule Impact		Probability/Impact				
	Probability	Cap	Sup	Dev	Con	Cap	Sup	Dev	Con
	Moderate	Low	Low	Low	Low	L	L	L	L
	Assessment Notes								

**Risk 022**

Status: Active

Deteriorated Sidewalk/Existing

RBS:

Construction

Owner:

Matt Solano

Updated:

12-07-2021

Status: Active

Ramp ADA compliance/conditions

Retire

Edit

Description	As a result of the duration between design activities and construction acceptance (6/15/26) existing sidewalk deterioration may occur to the point it does not meet ADA compliance, which would incur additional costs and time to repair/replace identified areas to meet ADA compliance.									
Status	Accept									
Response Options	Construction & design teams to re-evaluate of existing infrastructure condition(s) during the PS&E Phase to ensure all non-compliant infrastructure is addressed in the project plans.									
Impacts			Cost Impact		Schedule Impact		Probability/Impact			
	Probability		Cap	Sup	Dev	Con	Cap	Sup	Dev	Con
	Moderate		Low	Low	Very Low	Low	L	L	L	L
Assessment Notes	Risk Origination 12/1/2021 - M. Solano									

**Risk 011**

Status: Active

Permits

RBS:

Environmental

Owner:

Bibiana Rodriguez

Updated:

12-16-2021

Retire

Edit

Description	As a result of receiving design data for the cross culverts in phase 1, 404, 401 and 1602 permits may be required. Additional time to acquire permits would be needed, which would lead to project delays.									
Status	Provide data as early as possible so there is sufficient time to acquire permits, if required.									
Response Options	Accept									
Impacts			Cost Impact		Schedule Impact		Probability/Impact			
	Probability		Cap	Sup	Dev	Con	Cap	Sup	Dev	Con
	Low		Low	Low	Low	Low	L	L	L	L
Assessment Notes	Risk Origination date 11/15/2018 - G. St John Confirmed Risk & Updated Risk Owner 09/24/2021 - B. Rodriguez									

**Risk 019**

Status: Active

GGS Impacts

RBS:

Environmental

Owner:

Bibiana Rodriguez

Updated:

09-24-2021

Retire

Edit

Description	As a result of no take coverage (BO/ITP) for giant gartersnake (GGS) from permitting agencies, there are increased Project risks. In the event of GGS being present during construction, a halt in construction may occur, which would lead to schedule delays and cost increases									
-------------	---	--	--	--	--	--	--	--	--	--

**Status** Based on the current project scope, surveys, and conducted studies; the Project will have No Effect on special status species. Therefore, a species specific (GGS) Biological opinion (USFWS;BO) and incidental take permit (CDFW;ITP) will not be necessary. Follow avoidance measures to help ensure that work items do not impact GGS or their respective habitat.

Response Options	Avoid									
Impacts			Cost Impact		Schedule Impact		Probability/Impact			
	Probability		Cap	Sup	Dev	Con	Cap	Sup	Dev	Con
	Low		Low	Low	Low	Very Low	L	L	L	L
Assessment Notes	Risk Origination 8-25-2021 B.Rodriguez Confirmed Risk is current. 9/24/2021 B. Rodriguez									

**Risk 020**

Status: Active

Cert 3W

RBS:  
R/WOwner:  
Andrew HulbertUpdated:  
12-03-2021[Retire](#)[Edit](#)

Description	As result of Project schedule is less than requested the project may proceed to construction without physical possession of all property rights, which could result in delays to begin construction and increased costs.											
Status	D3 Design/Construction to advocate for use of 3W Cert from HQ based upon buildable project elements during the first season identified by Construction. HQ Denial of 3W request would require District RW to delay certification of project until order for possession become effective											
Response Options	Accept											
Impacts	Probability	Cost Impact				Schedule Impact		Probability/Impact				
		Cap		Sup		Dev	Con	Cap	Sup	Dev	Con	
Assessment Notes	Risk update 12/2/21 - A.Hulbert Risk Origination 9/21/21											

**Site managed by North Region Data Management Unit. Contact david.long@dot.ca.gov for support.**

**Attachment L**  
**Performance Measures**



SHOPP Project - Accomplishment - Performance Measures - Benefits																											
District: 03		Tool ID: 16915		Project ID: 0316000060		EA: 1H140		Co-Rte-PM: BUT-099-R3.1/5.0 (Primary Location)		View/Print PIR (Performance) Report																	
<input type="checkbox"/> Bridge		<input checked="" type="checkbox"/> Pavement		<input checked="" type="checkbox"/> Drainage		<input checked="" type="checkbox"/> Facilities		<input type="checkbox"/> Safety, Signs & Lighting		<input checked="" type="checkbox"/> Mobility		<input checked="" type="checkbox"/> TMS		<input type="checkbox"/> Roadside		<input checked="" type="checkbox"/> Complete Streets		<input type="checkbox"/> Sustainability /Climate Change		<input type="checkbox"/> Advance Mitigation /Mitigation		<input type="checkbox"/> Major Damage & Betterments		<input checked="" type="checkbox"/> Green-house Gases		<input type="checkbox"/> Relinquishment	
Performance & Accomplishments (PPC)																											
ActID	Activity Detail			Performance Objective		Unit of Measurement	Quantity	Pre-Good	Pre-Fair	Pre-Poor	New	Post-Good	Post-Fair	Post-Poor	HQ Program Review - Agree with District?	HQ Comment	Review Date	Performance Change Date After Review	Comment								
1	B05	Mainline Existing Asphalt CAPM (e.g. 2" Thin Overlay with or without Wearing Surface, Cold in Place, Digouts, Etc.) (201.121)			Pavement Class II		Lane Miles	6.780	0.061	6.719		6.780							SE=99.10%; RE=14.85%								
2	C01	Replace/Install Culverts (201.151)			No Performance Objective in the SHSMP		Each	20.000	18.000	2.000		20.000															
3	C02	Replace/Install Culverts (201.151)			Drainage Restoration		Linear Feet	848.340	777.740	70.600		848.340															
4	C15	Extend Existing Culvert			No Performance Objective in the SHSMP		Each	3.000			3.000																
5	C16	Extend Existing Culvert			Drainage Restoration		Linear Feet	40.000			40.000																
6	C17	Fish Passage in the Priority List			Fish Passage		Each	0.000		0.000																	
7	C18	Fish Passage Not in the Priority List			No Performance Objective in the SHSMP		Each	0.000																			
8	F03	CCTV (201.315)			No Performance Objective in the SHSMP		Each	1.000			1.000																
9	F04	Communications (Fiber Optics - 201.315)			No Performance Objective in the SHSMP		Linear Miles	0.060			0.060																
10	F05	Vehicle Detection (201.315)			No Performance Objective in the SHSMP		Each	1.000			1.000																
11	F23	ADA - New Curb Ramp Installed (201.361)			No Performance Objective in the SHSMP		Each	8.000			8.000																
12	F24	ADA - Repair/Upgrade Curb Ramp (201.361)			No Performance Objective in the SHSMP		Each	17.000		17.000		17.000															
13	F25	ADA - Install Accessible Pedestrian Signal (201.361)			No Performance Objective in the SHSMP		Each	1.000			1.000																
14	F43	ADA - Deficient Elements			ADA Pedestrian Infrastructure		Deficient Elements	26.000		17.000	9.000	17.000															
15	F45	TMS Structure Component			Transportation Management System Structures		Each	2.000			2.000																
16	F46	TMS Technology Component			Transportation Management Systems		Each	2.000			2.000																
17	H21	Sidewalks			No Performance Objective in the SHSMP		Linear Feet	8533.680		5381.840	3151.840	5381.840															
18	H32	Is any Location Within the Project Limits Ped/Bike Accessible?			No Performance Objective in the SHSMP		Yes/No	Yes											Yes								
19	H56	Complete Streets Fix Existing			Complete Streets Fix Existing		Linear Feet	5381.800		5381.800		5381.800															
20	N02	Quantitative - Proposed Mitigated			No Performance Objective in the SHSMP		MTCO2e	651.000																			
21	N03	Quantitative - Unmitigated			No Performance Objective in the SHSMP		MTCO2e	996.000																			
(Last Saved - 11/18/21 @ 9:46 AM by Ethan Hyde)																											

**Programming Performance Summary (All Locations)**

Program Code	Activity Category	Asset Class	Asset	Performance Value	Performance Measure	Unit	Pre-Good	Pre-Fair	Pre-Poor	Pre-Total	Post Good	New	Post Good+New	Post-Fair	Post-Poor	Post-Total
201.121	Pavement	Primary	Pavement	6.8	Lane mile(s)	Lane mile(s)	0.1	6.7	0.0	6.8	6.8	0.000	6.8	0.0	0.0	6.8

**Notes:**

1. The crosswalk for reporting performance in the "Programming Performance Summary" was developed to assist the districts on performance reporting requirements for CTC and PCRs. For discrepancies or errors, please notify AM Tool admins via e-mail at CT-TAM@dot.ca.gov.
2. The data summarized in the table represents the performance reported or to be reported in CTIPS.
3. Programming only requires the breakdown of Good, Fair and Poor for Primary and Supplementary Asset Classes.
4. Reporting of bridge pre and post conditions may contain errors if the project RTL is before 2024/25.
5. Reporting drainage pre-total and post good may differ whenever projects contain abandoned/removed culverts as the culvert no longer exists at post construction, is deleted from the pre-total value for posting of the post good value, and gets deleted from the statewide CIP inventory database.
6. Reactive Safety projects will temporally use the same performance outputs of Safety Improvement projects. When the reporting requirements for CTC changes, the logic in the AM Tool will change.

**Caltrans Pavement Program  
 Pavement Condition Summary Report (PaveM)  
 BOTH DIRECTIONS; ALL LANES**

**District: 3; County: Butte (BUT); Route: 99**

**From PM: R3.100 To PM: 5.000**

**L-Length: 1.900. R-Length: 1.900**

**L-Lane Miles: 3.390. R-Lane Miles: 3.390 (Unknown lane miles: 0.000)**

Year/ Condition Lane Miles	Traditional Condition (lane miles)					MAP-21 Condition (lane miles)			Total Lane Miles	Effectiveness (%)	
	Green	Yellow	Blue	Orange	Red	Good	Fair	Poor		SHOPP Effectiveness ((Red + Orange) /Total Lane Miles) %	Rehab Effectiveness (Red/Total Lane Miles) %
2015	0.446	3.110	1.244	1.982	0.000	0.814	5.968	0.000	6.782	29.22	0.00

*End Previous Years Actuals - Begin APCS Data Collection Year and Predicted Years*

2016	0.061	2.486	0.518	3.715	0.000	0.796	5.984	0.000	6.780	54.79	0.00
2017	0.031	2.274	0.518	3.957	0.000	0.796	5.984	0.000	6.780	58.36	0.00
2018	0.031	1.024	0.518	5.207	0.000	0.428	6.352	0.000	6.780	76.80	0.00
2019	0.031	0.289	0.518	5.942	0.000	0.061	6.719	0.000	6.780	87.64	0.00
2020	0.000	0.061	0.259	6.452	0.008	0.061	6.719	0.000	6.780	95.28	0.12
2021	0.000	0.061	0.000	6.703	0.016	0.061	6.719	0.000	6.780	99.10	0.24
2022	0.000	0.061	0.000	6.703	0.016	0.061	6.719	0.000	6.780	99.10	0.24
2023	0.000	0.061	0.000	6.703	0.016	0.061	6.719	0.000	6.780	99.10	0.24
2024	0.000	0.061	0.000	5.712	1.007	0.061	6.719	0.000	6.780	99.10	14.85
2025	0.000	0.061	0.000	4.721	1.998	0.061	6.719	0.000	6.780	99.10	29.47
2026	0.000	0.061	0.000	4.721	1.998	0.061	6.711	0.008	6.780	99.10	29.47
2027	0.000	0.031	0.000	4.751	1.998	0.031	6.733	0.016	6.780	99.54	29.47
2028	0.000	0.031	0.000	4.509	2.240	0.000	6.764	0.016	6.780	99.54	33.04
2029	0.000	0.000	0.000	4.540	2.240	0.000	5.773	1.007	6.780	100.00	33.04
2030	0.000	0.000	0.000	4.298	2.482	0.000	4.782	1.998	6.780	100.00	36.61

PaveM Scenario Used: #2671  
APCS Data Year: 2016  
Using: Prior-Treatment Distresses

**Caltrans Pavement Program**  
**Pavement Condition Detailed Report (PaveM)**

**District: 3; County: Butte (BUT); Route: 99**

**From PM: R3.100 To PM: 5.000**

Year: 2016 (Current)

R-Length: 1.900. L-Length: 1.900

**R-Lane Miles: 3.390. L-Lane Miles: 3.390 (Unknown lane miles: 0.000)**

Pavement Segment	Lane	Type	Concrete			Asphalt			IRI in/mi	MAP-21 Condition	Traditional Condition	Road Class	Estimated Lane Miles
			1st%	3rd%	Fault%	Alligator		Rut (in)					
						A%	B%						
Post Mile: R3.100 to R3.130 Length: 0.031 Estimated Lane Mileage: 0.061	L1	Flexible				3.00	0.60	0.15	60	Good	Green	2	0.030
	R1	Flexible				1.00	0.20	0.12	63	Good	Green	2	0.031
Post Mile: R3.130 to 4.121 Length: 0.991 Estimated Lane Mileage: 3.964	L1	Flexible				10.90	8.50	0.20	118	Fair	Yellow	2	0.991
	L2	Flexible				8.60	16.90	0.12	155	Fair	Orange	2	0.991
	R1	Flexible				9.60	12.40	0.15	134	Fair	Orange	2	0.991
	R2	Flexible				10.30	18.30	0.16	154	Fair	Orange	2	0.991
Post Mile: 4.121 to 4.380 Length: 0.259 Estimated Lane Mileage: 1.036	L1	Flexible				4.00	8.80	0.32	121	Fair	Yellow	2	0.259
	L2	Flexible				9.10	6.50	0.21	238	Fair	Blue	2	0.259
	R1	Flexible				20.60	7.20	0.22	132	Fair	Yellow	2	0.259
	R2	Flexible				5.70	4.70	0.27	224	Fair	Blue	2	0.259
Post Mile: 4.380 to 4.622 Length: 0.242 Estimated Lane Mileage: 0.968	L1	Flexible				0.90	9.20	0.15	132	Fair	Yellow	2	0.242
	L2	Flexible				1.90	10.80	0.13	167	Fair	Orange	2	0.242
	R1	Flexible				8.20	10.90	0.11	158	Fair	Orange	2	0.242
	R2	Flexible				6.20	12.70	0.11	236	Fair	Orange	2	0.242
Post Mile: 4.622 to 4.630 Length: 0.008 Estimated Lane Mileage: 0.016	L1	Flexible				0.60	24.40	0.11	144	Fair	Orange	2	0.008
	R1	Flexible				6.30	22.40	0.11	186	Fair	Orange	2	0.008
Post Mile: 4.630 to 5.000 Length: 0.369 Estimated Lane Mileage: 0.735	L1	Flexible				0.30	7.40	0.12	82	Good	Yellow	2	0.368
	R1	Flexible				2.90	6.80	0.14	84	Good	Yellow	2	0.367
						8.08	11.62	0.16	144				6.780
			Lane Weighted Average										Total

PaveM Scenario Used: #2671  
APCS Data Year: 2016  
Using: Prior-Treatment Distresses

**Caltrans Pavement Program**  
**Pavement Condition Detailed Report (PaveM)**

**District: 3; County: Butte (BUT); Route: 99**

**From PM: R3.100 To PM: 5.000**

**Year: 2024 (Predicted)**

R-Length: 1.900. L-Length: 1.900

**R-Lane Miles: 3.390. L-Lane Miles: 3.390 (Unknown lane miles: 0.000)**

Pavement Segment	Lane	Type	Concrete			Asphalt			IRI in/mi	MAP-21 Condition	Traditional Condition	Road Class	Estimated Lane Miles
			1st%	3rd%	Fault%	Alligator		Rut (in)					
						A%	B%						
Post Mile: R3.100 to R3.130 Length: 0.031 Estimated Lane Mileage: 0.061	L1	Flexible				12.90	6.90	0.15	81	Good	Yellow	2	0.030
	R1	Flexible				9.50	5.40	0.12	83	Good	Yellow	2	0.031
Post Mile: R3.130 to 4.121 Length: 0.991 Estimated Lane Mileage: 3.964	L1	Flexible				17.80	15.90	0.20	137	Fair	Orange	2	0.991
	L2	Flexible				17.40	29.00	0.12	176	Fair	Orange	2	0.991
	R1	Flexible				16.10	20.30	0.15	153	Fair	Orange	2	0.991
	R2	Flexible				18.90	30.50	0.16	175	Fair	Red	2	0.991
Post Mile: 4.121 to 4.380 Length: 0.259 Estimated Lane Mileage: 1.036	L1	Flexible				10.20	16.30	0.32	139	Fair	Orange	2	0.259
	L2	Flexible				19.30	16.60	0.21	259	Fair	Orange	2	0.259
	R1	Flexible				27.90	14.30	0.22	151	Fair	Orange	2	0.259
	R2	Flexible				15.80	14.00	0.27	245	Fair	Orange	2	0.259
Post Mile: 4.380 to 4.622 Length: 0.242 Estimated Lane Mileage: 0.968	L1	Flexible				6.70	16.70	0.15	151	Fair	Orange	2	0.242
	L2	Flexible				10.60	22.00	0.13	188	Fair	Orange	2	0.242
	R1	Flexible				14.80	18.70	0.11	177	Fair	Orange	2	0.242
	R2	Flexible				15.30	24.30	0.11	257	Fair	Orange	2	0.242
Post Mile: 4.622 to 4.630 Length: 0.008 Estimated Lane Mileage: 0.016	L1	Flexible				8.90	37.00	0.11	164	Fair	Red	2	0.008
	R1	Flexible				14.50	34.90	0.11	206	Fair	Red	2	0.008
Post Mile: 4.630 to 5.000 Length: 0.369 Estimated Lane Mileage: 0.735	L1	Flexible				8.50	17.70	0.12	103	Fair	Orange	2	0.368
	R1	Flexible				11.90	16.90	0.14	105	Fair	Orange	2	0.367
						15.98	21.26	0.16	164				6.780
			Lane Weighted Average						Total				





# STATE ROUTE 99 ROADWAY REHABILITATION IN GRIDLEY

Gridley City Council Presentation

Monday May 2, 2022 | 6 p.m.

## AGENDA

1. Staff Introductions
2. Project Overview
3. Proposed Alternative
4. Environmental and Right of Way  
Process Overview
5. Schedule & Cost
6. Contacts
7. Questions & Comments



# CALTRANS STAFF, CITY OF GRIDLEY & BUTTE COUNTY ASSOCIATION OF GOVERNMENTS(BCAG) REPRESENTATIVE

CHRISTOPHER LADEAS

PROJECT MANAGER



JAREK KUSZ

SENIOR ENGINEER &  
PROJECT ENGINEER



DAVE HARDEN

CITY REPRESENTATIVE



BRIGETTE HADDOCK

HIGHWAY OPERATIONS



IVAN GARCIA

BUTTE COUNTY ASSOCIATION  
OF GOVERNMENTS (BCAG),  
PROGRAMMING MANAGER



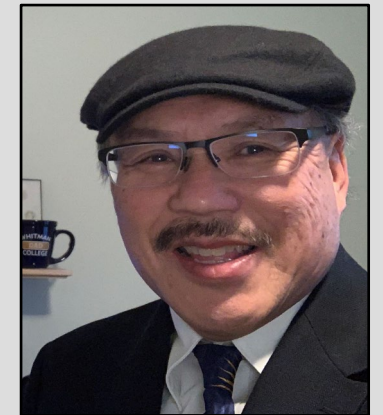
BIBIANA RODRIGUEZ

ENVIRONMENTAL  
PROJECT COORDINATOR



ANDREW HULBERT

RIGHT OF WAY PROJECT  
COORDINATOR



GILBERT MOHTES-CHAN

PUBLIC INFORMATION OFFICER



## PROJECT LOCATION

- Pavement resurfacing on State Route 99 in Gridley from W Liberty Road to Stapleton-Spence Packing Plant (PM 3.1/5.0)



# PROJECT HISTORY

Project Initiation Report (PIR) was approved on June 28, 2019.

The preparation of the Draft Project Report and Draft Environmental Document began in July 2020.

During the PIR there were several meetings held between the Caltrans and Community:

- City Council Workgroup Meeting – May 23, 2016
- Business Roundtable – August 26, 2016
- Community Workshop #1 – October 12, 2016
- October 3, 2016 to December 6, 2016 an online community survey was held (374 people responded).
- Community Workshop #2 – July 19, 2017
- Consultant (MIG) finished Community Guidebook – Fall 2017

## PROJECT HISTORY

Community priorities and concerns are as follows:

- Increase pedestrian safety
- Support local business
- Facilitate the movement of trucks
- Ensure appropriate maintenance of public spaces
- Reduce traffic speeds in Gridley
- Improve flow of traffic through Gridley

## NEED AND PURPOSE

### Need:

The pavement exhibits signs of distress and deterioration resulting in poor ride quality. Fiber optics, loop detection, Closed-Circuit Television (CCTV) system, and complete streets elements are incomplete within the project limits. Existing curb ramps and driveways do not meet Americans with Disabilities Act of 1990 (ADA) standards. Sidewalk facilities need to be expanded through the project limits to improve connectivity and multimodal accessibility. Drainage throughout the project limits must accommodate the improvements.

## NEED AND PURPOSE

### Purpose:

To maintain the highway corridor, provide safe and serviceable facilities for the traveling public, and enhance bike and pedestrian connectivity. This will be accomplished by:

- Improving motorist ride quality
- Providing necessary drainage facilities
- Expanding multimodal transportation opportunities
- Enhancing visual quality and safety of the corridor
- Creating a corridor accessible to all by updating ADA facilities

## PROJECT SCOPE

Repair pavement with a 20-year design life to address pavement distress and deterioration, rehabilitate culverts, remove and replace non-standard curb ramps, and install TMS elements. The project scope includes the following work:

- Pavement resurfacing
- Construct new 8- foot sidewalk with 3-foot landscaping from W Liberty Road to Dollar General
- Remove existing sidewalk and construct new 8-foot sidewalk with 3-foot landscaping from Dollar General to Standish Lane
- Install 5-foot sidewalk with curb and gutter from Standish Lane to the existing sidewalk and curb and gutter in front of Stapleton-Spence Packing Company at the northern project limits
- Install new drainage system from W Liberty Road to Dollar General
- Install 5 new CCTV cameras each signalized intersection within the project limits

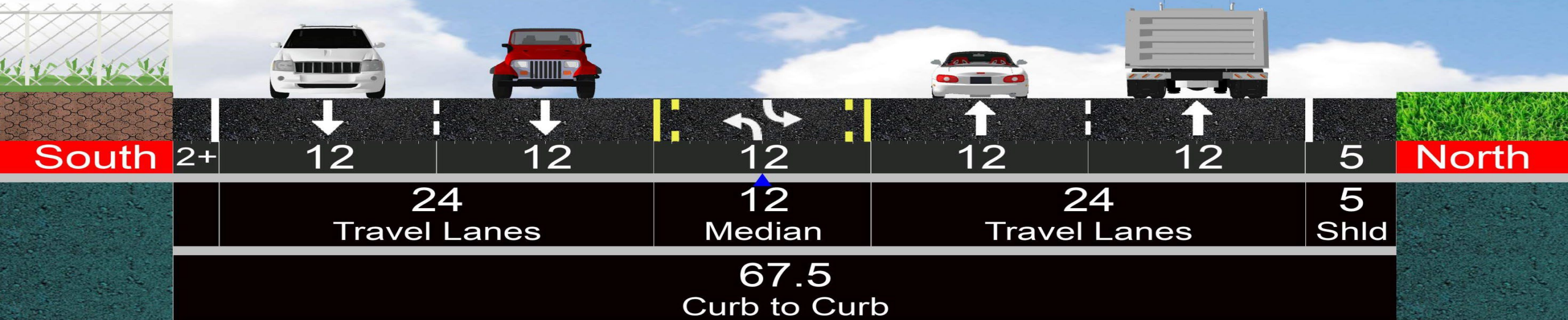
## PROJECT SCOPE

- Replace existing curb ramps with ADA compliant curb ramps at following locations:
  - SR 99 and E Gridley Road/Magnolia Street (4 curb ramps)
  - SR 99 and Sycamore Street (3 curb ramps)
  - SR 99 and Hazel Street (4 curb ramps)
  - SR 99 and Spruce Street (4 curb ramps)
- New curb ramps with ADA compliant curb ramps at following locations:
  - SR 99 and Sheldon Avenue (2 curb ramps)
  - SR 99 and Obermeyer Avenue (2 curb ramps)
  - SR 99 and Archer Avenue (2 curb ramps)
- New enhanced crosswalk, with pedestrian hybrid beacon, and refuge island – between Archer Avenue and Cherry Street
- Street lighting – install 63 streetlights on the east side of SR 99, adjacent to new sidewalk
- Install new fiber optic conduits within project limits to support future broadband needs
- Install electrical conduits for future projects – placed under the proposed sidewalk

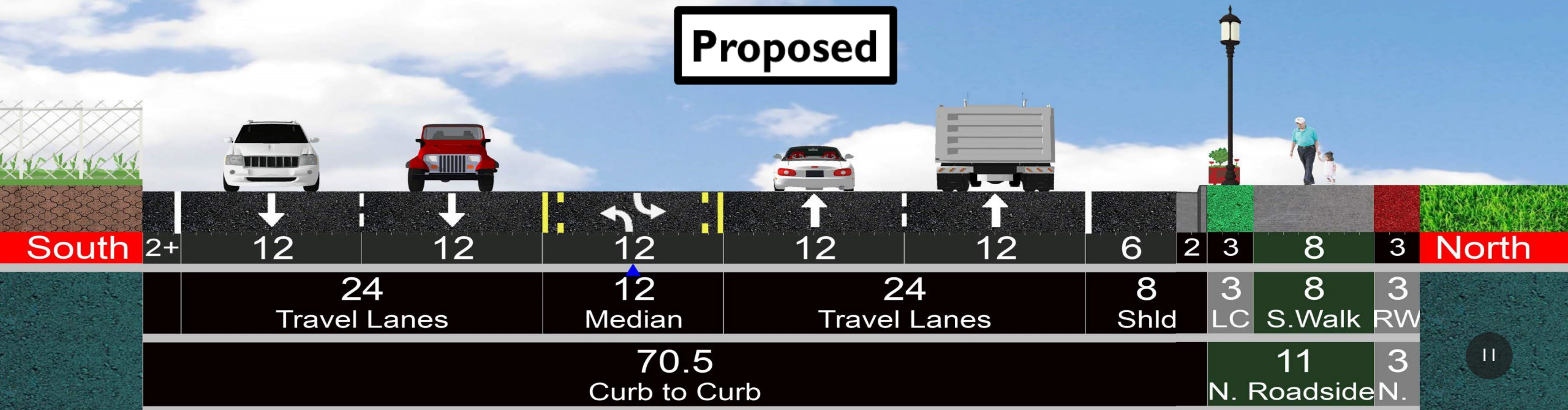


# Existing

From Liberty Road to Dollar General



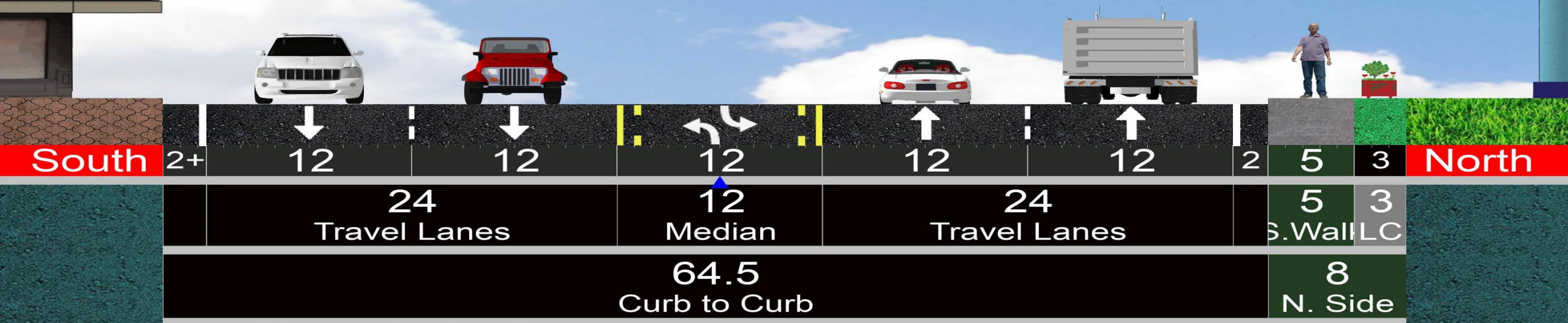
# Proposed



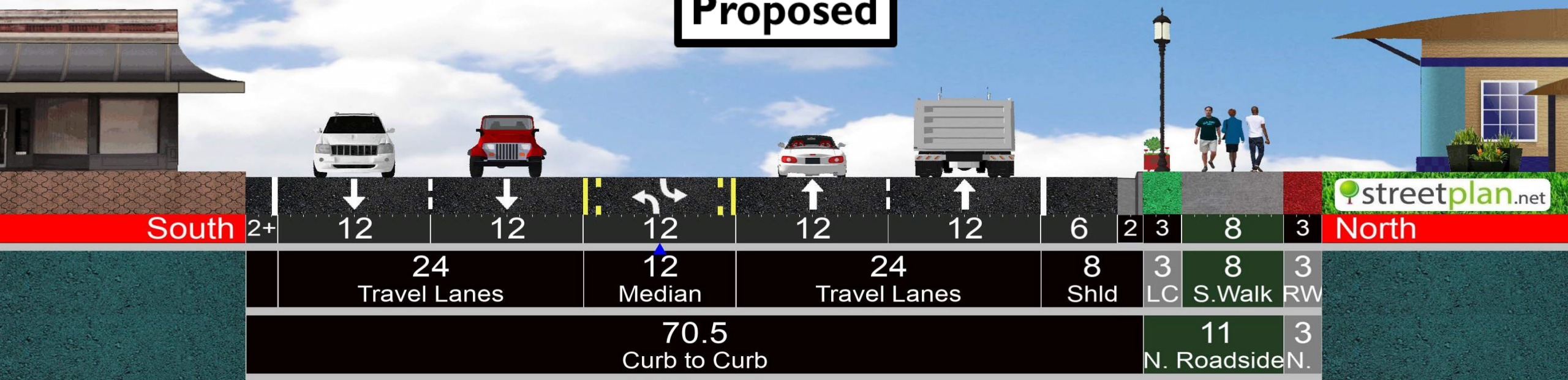


# Existing

From Dollar General to Standish Lane



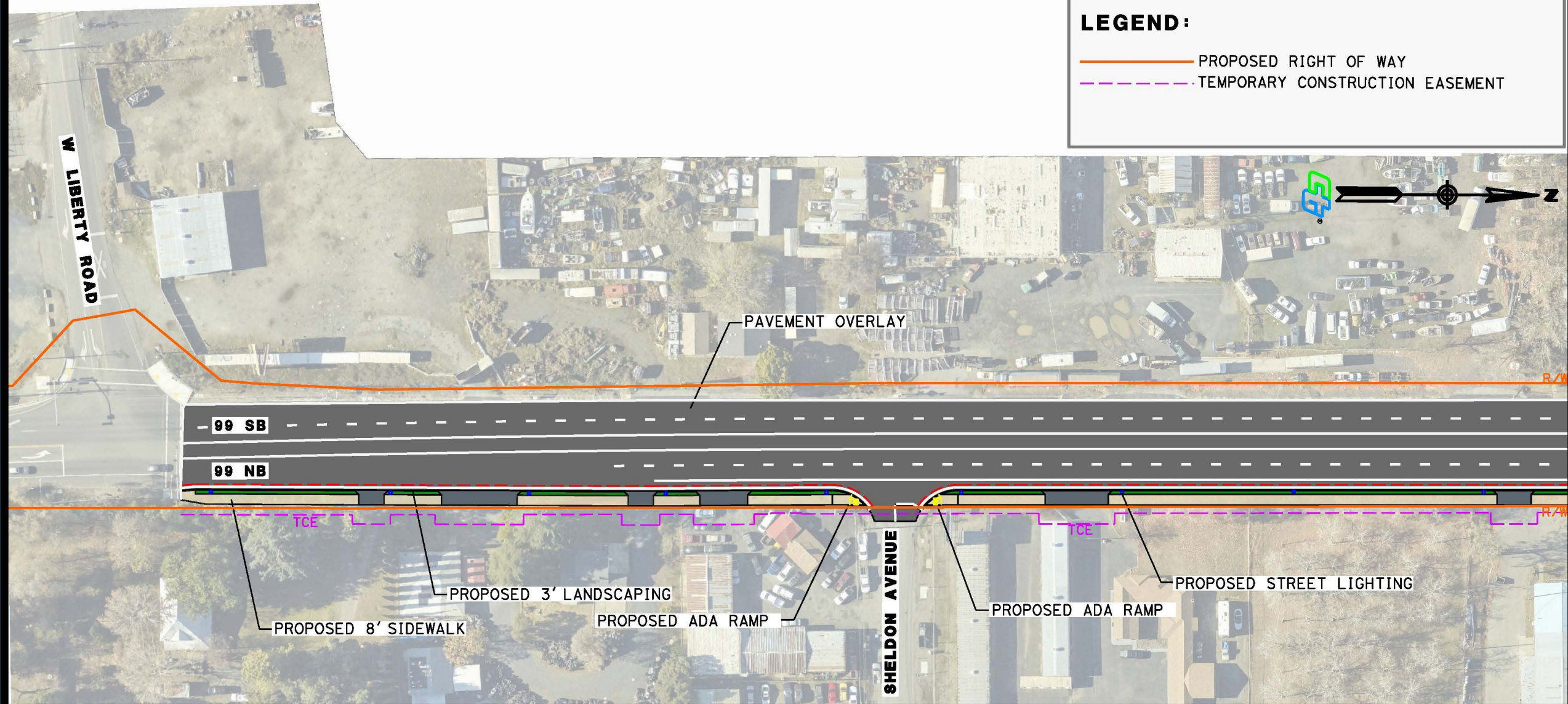
# Proposed





**LEGEND:**

- PROPOSED RIGHT OF WAY
- - - TEMPORARY CONSTRUCTION EASEMENT







PAVEMENT OVERLAY

99 SB

99 NB

ITCE

TCE

PROPOSED 3' LANDSCAPING

PROPOSED 8' SIDEWALK

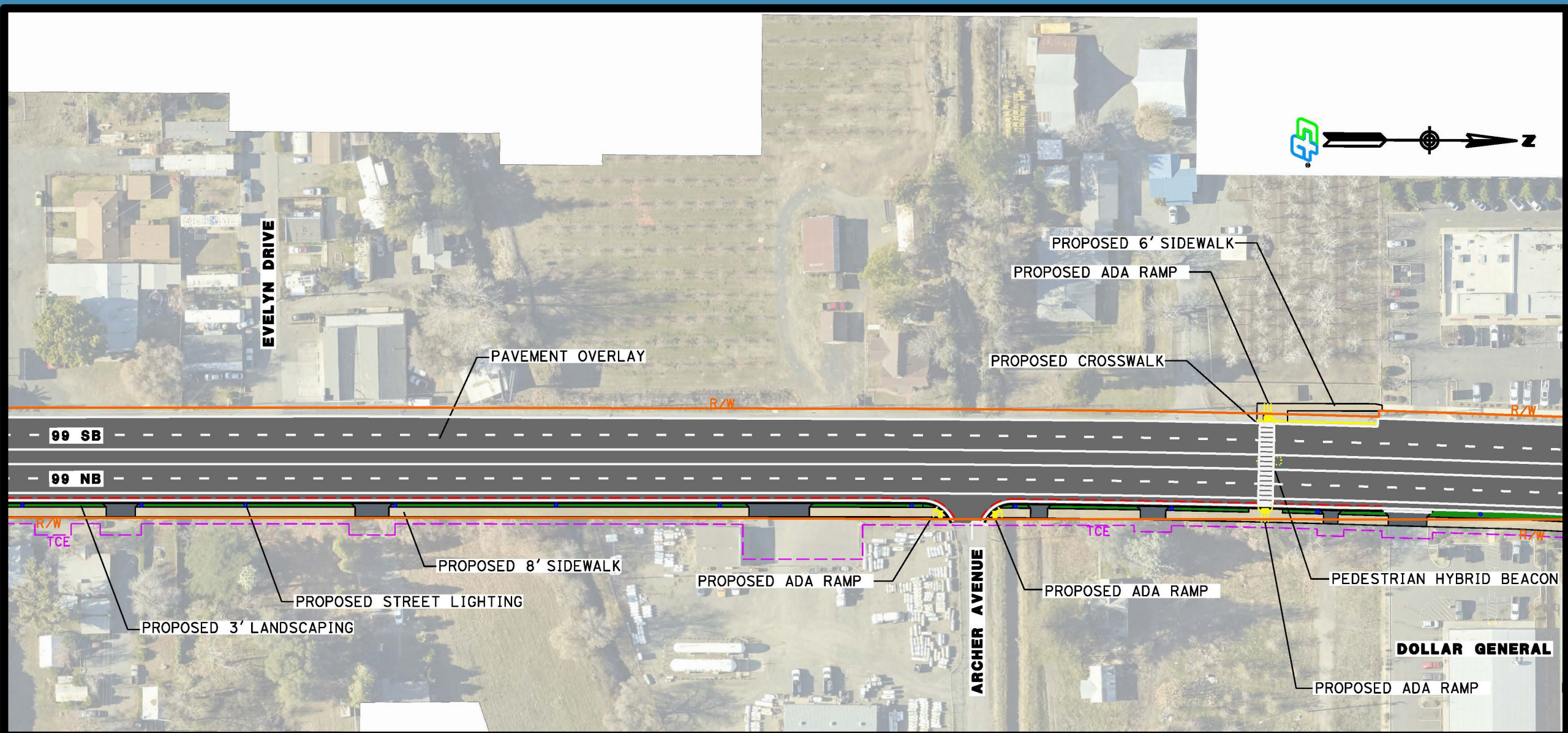
PROPOSED STREET LIGHTING

PROPOSED ADA RAMP

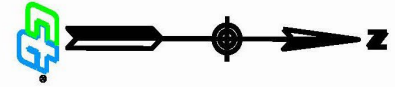
PROPOSED ADA RAMP

OBERMEYER AVENUE









CHERRY STREET

PAVEMENT OVERLAY

99 SB

99 NB

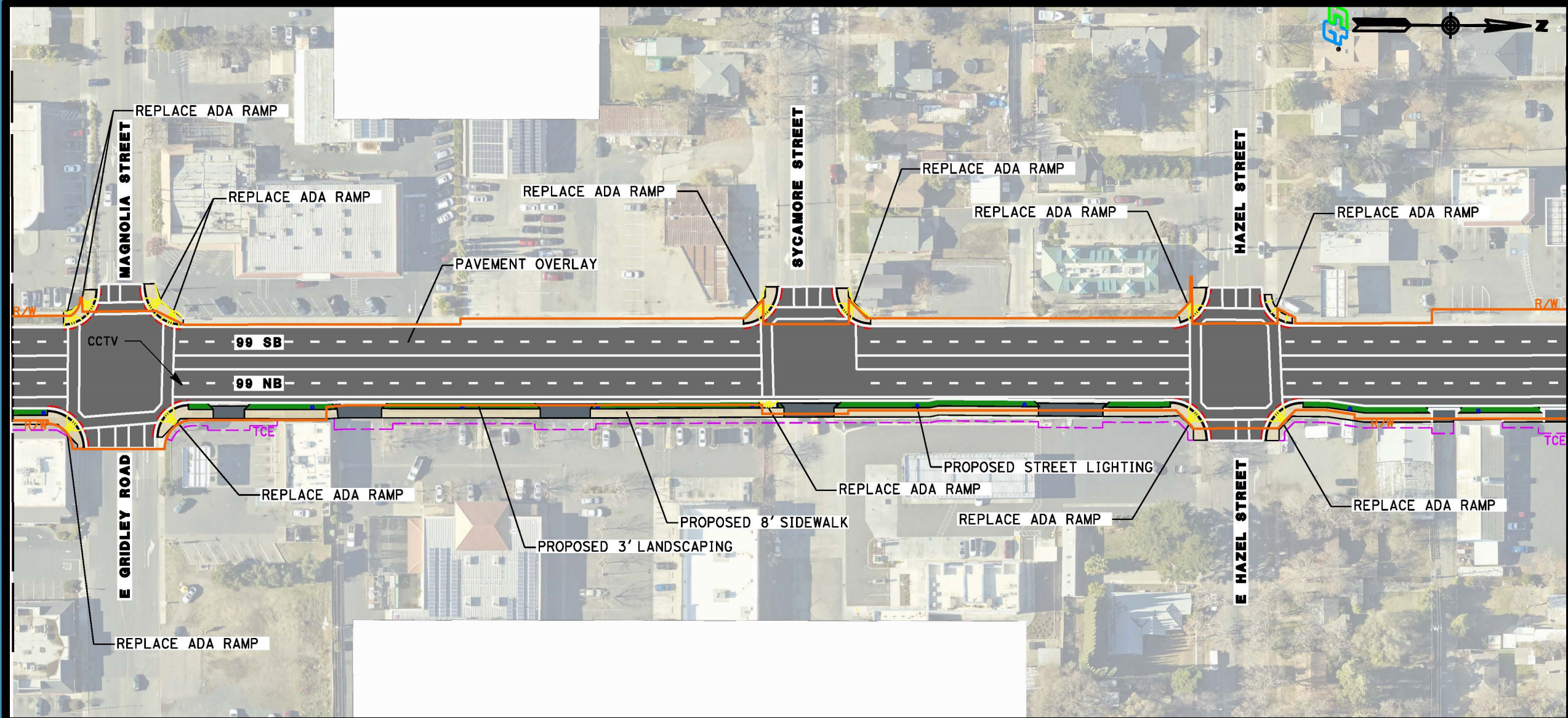
PROPOSED 3' LANDSCAPING

PROPOSED STREET LIGHTING

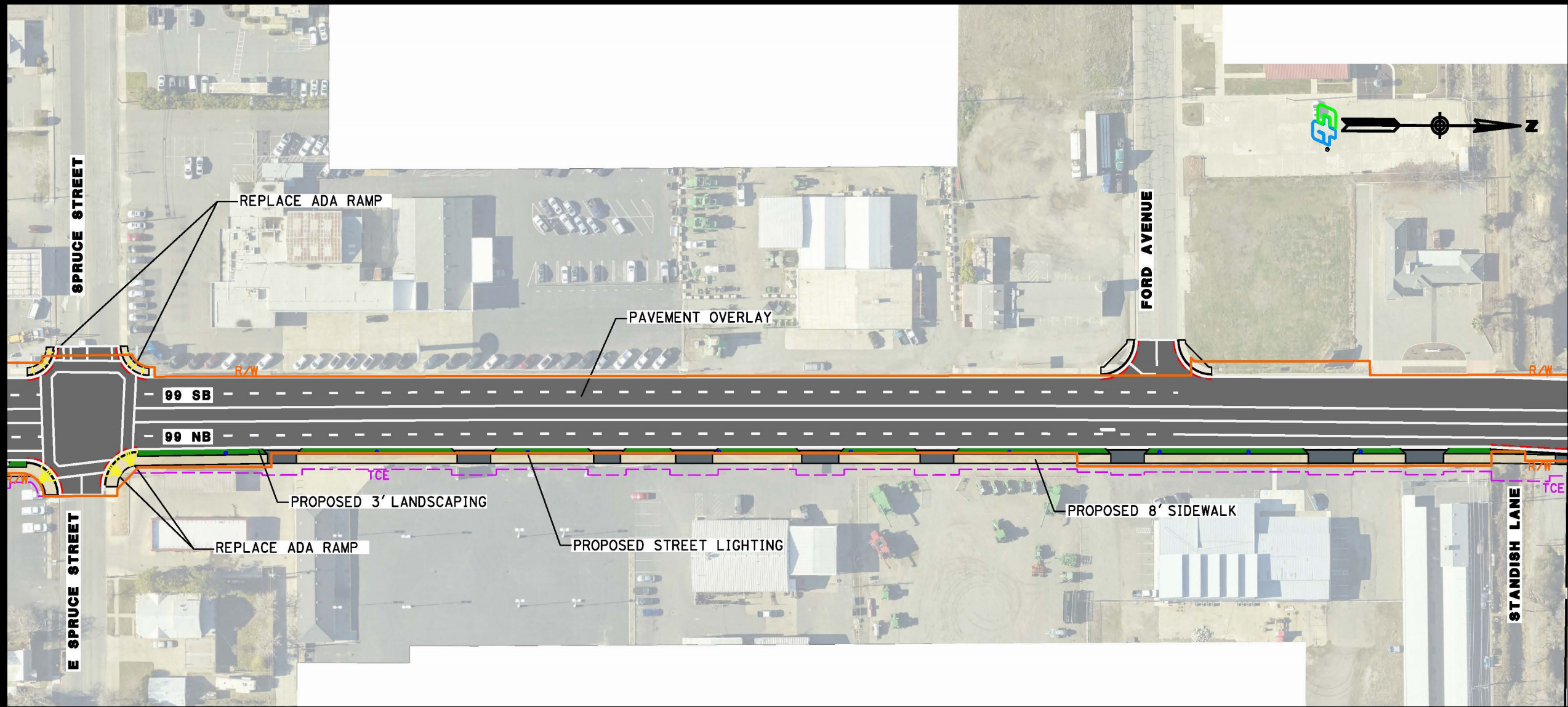
REPLACE ADA RAMP

PROPOSED 8' SIDEWALK

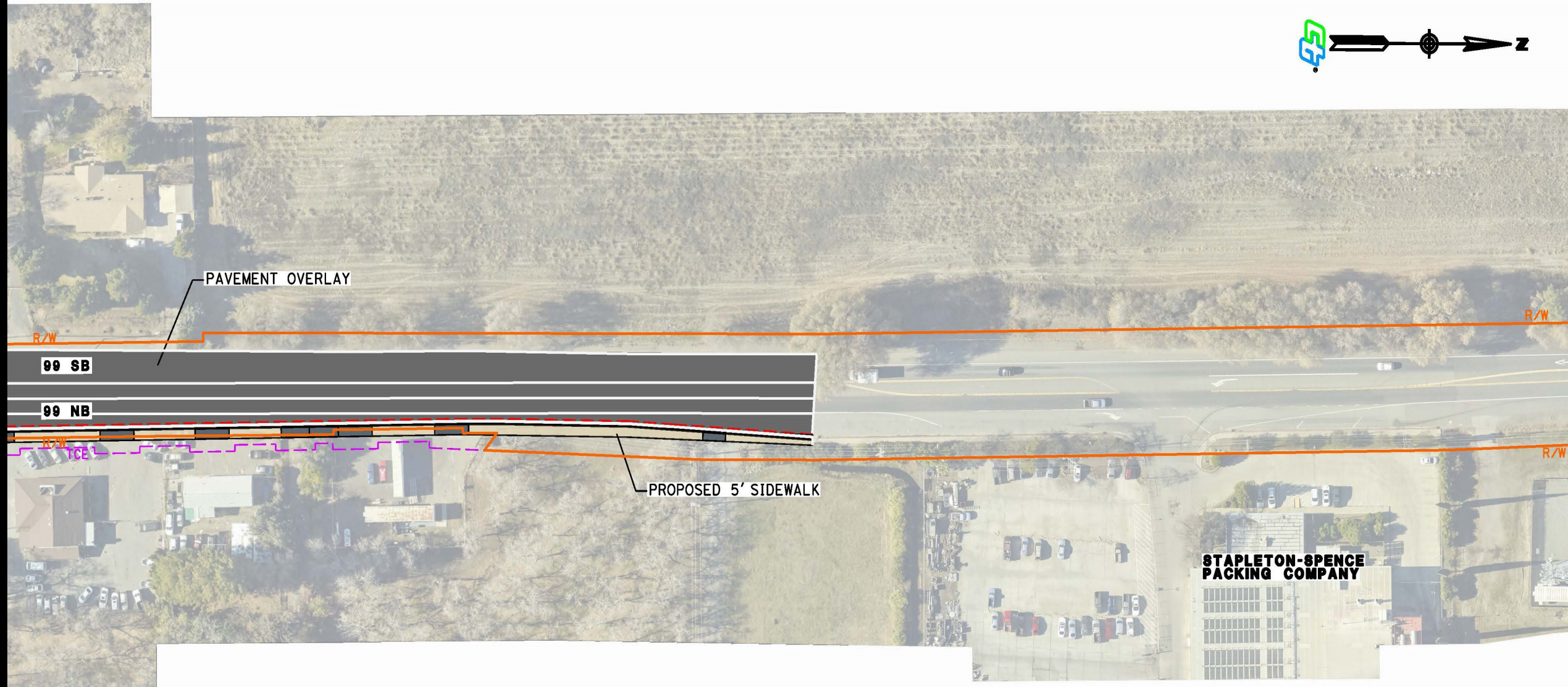
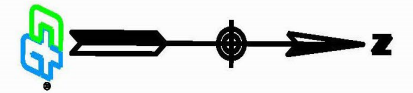
















# ENVIRONMENTAL DOCUMENT



# RIGHT OF WAY PROCESS

Appraisals

Acquisitions



# PROJECT SCHEDULE

## PROJECT COST

Milestone	Target Date
Circulate Draft Environmental Document	March 2022
Identify Right of Way Requirements	Summer 2022
Project Approval & Environmental Document (PA&ED) /Begin Right of Way Acquisition	Summer 2022
Design Phase	Summer 2022-Spring 2024
Advertise Project	Spring 2024
Begin Construction	Summer 2024
Complete Construction	Spring 2026

### Estimated total cost

\$25 Million





Questions / Comments

Thank you for attending!



Christopher Ladeas

Project Manager

(530) 701-1305

[Christopher.Ladeas@dot.ca.gov](mailto:Christopher.Ladeas@dot.ca.gov)



Jarek Kusz

Senior Engineer/Project Engineer

(530) 821-8402

[Jaroslaw.Kusz@dot.ca.gov](mailto:Jaroslaw.Kusz@dot.ca.gov)

**City Council Agenda Item #4**  
Staff Report

**Date:** May 2, 2022  
**To:** Mayor and City Council  
**From:** Cliff Wagner, City Administrator  
**Subject:** Resolution No. 2022-013 : Adopting a Debt Management Policy

<b>X</b>	Regular
	Special
	Closed
	Emergency

---

**Recommendation**

Adopt Resolution No. 2022-R-013

**Background**

Senate Bill 1029 (SB 1029), which became effective on January 1, 2017, amended California Government Code 8855 to add certain requirements related to the issuance and administration of debt by local agencies, including requiring the adoption of a debt policy meeting the requirements of California Government Code 8855. This impacts the City and the other entities for which the City Council serves as the governing body such as the Successor Agency. In particular, the Successor Agency's contemplated refunding of its 2008 Tax Allocation Bonds requires that a compliant Debt Management Policy be adopted.

**Discussion:**

In connection with the issuance of new debt (including for refunding purposes), the City will need to submit to the California Debt and Investment Advisory Commission (CDIAC) a preliminary report of debt issuance which will include a certification that the City has adopted a debt policy that meets the requirements of the new legislation, which are found in California Government Code 8855. Adoption of the debt policy is required for compliance with the legislation.

In accordance with Government Code 8855, a local debt policy must include all of the following:

- (A) The purposes for which the debt proceeds may be used.
- (B) The types of debt that may be issued.
- (C) The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.
- (D) Policy goals related to the issuer's planning goals and objectives.
- (E) The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

The contemplated debt management policy meets all of these requirements.

**Attachments:**

Resolution No. 2022-R-013

Debt Management Policy

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY ADOPTING A DEBT  
MANAGEMENT POLICY**

**WHEREAS**, Senate Bill 1029 (SB 1029), which became effective on January 1, 2017, amended California Government Code 8855 to add certain requirements related to the issuance and administration of debt by local agencies such as the City of Gridley (the "City"), including the adoption of a debt policy meeting the requirements of California Government Code 8855; and

**WHEREAS**, the City Council wishes at this time to approve a debt policy that is compliant with California Government Code 8855 to govern future issuances of debt by the City and its related entities such as the Successor Agency.

**NOW, THEREFORE**, be it resolved by the City of Gridley to approve and adopt the Debt Management Policy in the form presented to the City Council. The Debt Management Policy shall govern the issuance and administration of debt issued by the City and each other entity for which the City Council serves as the legislative body, including the Successor Agency, in accordance and subject to the conditions set forth in such policy. This Resolution shall take effect immediately upon its passage and adoption.

**I HEREBY CERTIFY** that the foregoing resolution was duly introduced and passed at a regular City Council meeting of the City of Gridley held on the 2<sup>nd</sup>, May 2022, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ATTEST:

APPROVE:

\_\_\_\_\_  
Cliff Wagner, City Clerk

\_\_\_\_\_  
Bruce Johnson, Mayor

# **City of Gridley**

## **Debt Management Policy**

Adopted by City Council of the City of Gridley  
on May 2, 2022

This Debt Management Policy (the “Debt Policy”) of the City of Gridley (the “City”) was approved by the City Council to be effective as of the date first set forth above. The Debt Policy may be utilized by staff with the discretion to deviate as determined appropriate by the City Administrator, and may be amended by the City Council as it deems appropriate from time to time in the prudent management of the debt and capital financing needs of the City.

The Debt Policy shall govern the issuance and administration of debt issued by the City and each other entity for which the City Council serves as the legislative body, including the Successor Agency of the City of Gridley Redevelopment Agency, and references herein to “City” shall refer to each such other entity, as appropriate.

## **1. Findings**

This Debt Policy is intended to comply with Government Code Section 8855(i), and shall govern all debt undertaken by the City. The City hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the City’s sound financial position.
- Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the City’s credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the City.
- Ensure that the City’s debt is consistent with the City’s planning goals and objectives and capital improvement program or budget, as applicable.

## **2. Policies**

### **A. Purposes For Which Debt May Be Issued**

Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the City, as well as management of other long-term obligation such as pension and OPEB obligations. Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the City and its taxpayers and/or ratepayers, as applicable.



- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses. The City may use long-term debt financings subject to the following conditions:

- The project to be financed must be approved by the City Council.
- The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
- The City estimates that sufficient revenues will be available to service the debt through its maturity.
- The City determines that the issuance of the debt will comply with all applicable state and federal law.

Short-term debt. Short-term debt may be issued to provide financing for the City's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the City may undertake lease-purchase financing for equipment.

## **B. Types of Debt**

The following types of debt are allowable under this Debt Policy:

- Loan agreements and revenue bonds
- Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions
- Pension obligation bonds
- General obligation bonds (GO Bonds)
- Bond or grant anticipation notes (BANs)
- Tax and revenue anticipation notes (TRANs)
- Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- Tax increment financing to the extent permitted under State law, including tax allocation refunding bonds
- Refunding obligations

- State Revolving Loan Funds
- Lines of Credit

The City Council may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy. Debt shall be issued as fixed rate debt unless the City makes a specific determination as to why a variable rate issue would be beneficial to the City in a specific circumstance.

### **C. Relationship of Debt to Capital Improvement Program and Budget**

The City is committed to long-term capital planning. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's capital budget and the capital improvement plan.

The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The City shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

As applicable, the City shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes.

The City shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

### **D. Policy Goals Related to Planning Goals and Objectives**

The City is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's annual operations budget.

It is a policy goal of the City to protect taxpayers, ratepayers (if applicable) and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the City to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

## **E. Internal Control Procedures**

When issuing debt, in addition to complying with the terms of this Debt Policy, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the City will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings entered into by the City in accordance with SEC Rule 15c2-12.
- Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.
- The City's investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the City upon the submission of one or more written requisitions by the City Administrator (or his or her written designee), or (b) by the City, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the City.

END OF DEBT MANAGEMENT POLICY

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## **INDENTURE OF TRUST**

**Dated as of \_\_\_\_\_ 1, 2022**

**by and between the**

**SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY**

**and**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
as Trustee**

**Relating to**

**\$ \_\_\_\_\_  
Successor Agency of the City of Gridley Redevelopment Agency  
2022 Series A Tax Allocation Refunding Bonds**

**and**

**\$ \_\_\_\_\_  
Successor Agency of the City of Gridley Redevelopment Agency  
2022 Series B Taxable Tax Allocation Refunding Bonds**

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## INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is made and entered into and dated as of \_\_\_\_\_ 1, 2022, by and between the SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY, a public entity duly organized and existing under the laws of the State of California (the "Successor Agency"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee");

### WITNESSETH:

**WHEREAS**, the Gridley Redevelopment Agency (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Law");

**WHEREAS**, a redevelopment plan for the redevelopment project area designated the "Gridley Redevelopment Project" in the City of Gridley, California (the "Redevelopment Project") were adopted in compliance with all requirements of the Law;

**WHEREAS**, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, and the Successor Agency has become the successor entity to the Former Agency;

**WHEREAS**, prior to the dissolution of the Former Agency, the Former Agency issued its \$2,980,000 Gridley Redevelopment Agency Gridley Redevelopment Project Tax Allocation Bonds, Series 2008A (Taxable) and \$1,770,000 Gridley Redevelopment Agency Gridley Redevelopment Project Tax Allocation Bonds, Series 2008B (Tax-Exempt) (Bank Qualified) (together, the "Prior Bonds") for the purpose of providing funds to finance redevelopment projects, which Prior Bonds were sold to investors in a public offering;

**WHEREAS**, Assembly Bill X1 26, effective June 29, 2011, together with AB 1484, effective June 27, 2012 ("AB 1484"), resulted in the dissolution of the Former Agency as of February 1, 2012, and the vesting in the Successor Agency of all of the authority, rights, powers, duties and obligations of the Former Agency;

**WHEREAS**, AB 1484, among other things, authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth said Section 34177.5(a);

**WHEREAS**, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Law and the Refunding Law of the following bonds to provide funds to cause the refunding of the Prior Bonds:



(i) \$\_\_\_\_\_ aggregate principal amount of Successor Agency of the City of Gridley Redevelopment Agency 2022 Series A Tax Allocation Refunding Bonds (the "2022 Series A Bonds"); and

(ii) \$\_\_\_\_\_ aggregate principal amount of Successor Agency of the City of Gridley Redevelopment Agency 2022 Series B Taxable Tax Allocation Refunding Bonds (the "2022 Series B Taxable Bonds," and together with the 2022 Series A Bonds, the "2022 Bonds");

**WHEREAS**, in order to provide for the authentication and delivery of the 2022 Bonds, to establish and declare the terms and conditions upon which the 2022 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

**WHEREAS**, all acts and proceedings required by law necessary to make the 2022 Bonds when executed by the Successor Agency, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

**NOW, THEREFORE, THIS INDENTURE WITNESSETH**, that in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the 2022 Bonds issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2022 Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2022 Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the 2022 Bonds, as follows:

## ARTICLE I

### DETERMINATIONS; DEFINITIONS

Section 1.01. Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2022 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the 2022 Bonds in the manner and form provided in this Indenture.

Section 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds and Parity Debt in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled and (b) the principal amount of the Outstanding Bonds and Parity Debt payable by their terms in such Bond Year.

“Bond” or “Bonds” means the 2022 Bonds and, if the context requires, any additional Parity Debt issued pursuant to a Supplemental Indenture pursuant to Section 5.02 hereof.

“Bond Counsel” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

“Bond Proceeds Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“Bond Year” means, any twelve-month period beginning on September 2 in any year and ending on the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date, and end on September 1, 2023.

“Business Day” means a day of the year on which banks in San Francisco, California, or the city where the Principal Corporate Trust Office is located are not required or permitted to be closed and on which the New York Stock Exchange is not closed.

“City” means the City of Gridley, a municipal corporation and general law city duly organized and existing under the laws of the State of California.

“Closing Date” means, with respect to the 2022 Bonds, the date on which the 2022 Bonds are delivered by the Trustee to the original purchaser thereof, being \_\_\_\_\_, 2022.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Community Redevelopment Law” means the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate executed by the Successor Agency dated as of the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to County and Successor Agency administrative staff costs, printing expenses, bond insurance and surety bond premiums, transferred proceeds penalties due the United States of America, underwriting fees, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Account” means the account by that name within the Bond Proceeds Fund established and held by the Trustee pursuant to Section 3.03.

“County” means the County of Butte, a county duly organized and existing under the Constitution and laws of the State.

“Debt Service Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.03.

“Defeasance Obligations” means (i) cash and (ii) Federal Securities.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

“Depository System Participant” means any participant in the Depository's book-entry system.

“Dissolution Act” means Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code.

“DTC” means The Depository Trust Company, and its successors and assigns.

“Escrow Agreement” means Escrow Agreement relating to the refunding of the Prior Bonds, by and between the Successor Agency and U.S. Bank Trust Company, National Association, as escrow agent, and trustee for the Prior Bonds.]

“Escrow Agent” means U.S. Bank Trust Company, National Association, as escrow agent under the Escrow Agreement.]

“Event of Default” means any of the events described in Section 8.01.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date

the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, (iv) any commingled investment fund in which the Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment, or (v) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States, as certified in writing by the Agency to the Trustee.

"Federal Securities" means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the Successor Agency to the Trustee in writing as its official fiscal year period.

"Former Agency" means the former Gridley Redevelopment Agency, a public body corporate and politic duly organized and existing under the Community Redevelopment Law and dissolved in accordance with the Dissolution Act.

"Indenture" means this Indenture of Trust by and between the Successor Agency and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions hereof.

"Independent Accountant" means any accountant or firm of such accountants duly licensed or registered or entitled to practice as such under the laws of the State, appointed by the Successor Agency, and who, or each of whom:

(a) is in fact independent and not under domination of the Successor Agency;

(b) does not have any substantial interest, direct or indirect, with the Successor Agency; and

(c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"Independent Redevelopment Consultant" means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom:

(a) is judged by the Successor Agency to have experience in matters relating to the issuance of tax allocation refunding bonds or otherwise with respect to the financing of redevelopment projects;

(b) is in fact independent and not under domination of the Successor Agency;

(c) does not have any substantial interest, direct or indirect, with the Successor Agency; and

(d) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Information Services” means “EMMA” or the “Electronic Municipal Market Access” system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Successor Agency may designate in a Written Certificate of the Successor Agency delivered to the Trustee.

“Interest Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(a).

“Interest Payment Date” means March 1 and September 1 of each year, commencing March 1, 2023, so long as any of the Bonds remain Outstanding hereunder.

“Law” means the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code, together with the Dissolution Act, and the acts amendatory thereof and supplemental thereto.

“Maximum Annual Debt Service” means, as of the date of calculation with respect to a series of Bonds, the largest Annual Debt Service for such series of Bonds for the current or any future Bond Year.

“Nominee” means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.11(a).

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

“Oversight Board” means the Oversight Board for the Successor Agency, duly constituted from time to time pursuant to Section 34179 of the California Health and Safety Code.

“Owner” or “Bondowner” means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

“Parity Debt” means any bonds, notes or other obligations that are payable from and secured by a lien on Tax Revenues that is on parity with the lien under this Indenture.

“Parity Debt Instrument” means any resolution, indenture of trust, loan agreement, trust agreement or other instrument authorizing the issuance of any Parity Debt, including, without limitation, a Supplemental Indenture authorized by Section 7.01(d).

“Participating Underwriter” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (provided that the Trustee shall be entitled to conclusively rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State), but only to the extent that the same are acquired at Fair Market Value and otherwise comply with the Successor Agency’s investment policies at the time such Permitted Investment is acquired, provided that the Trustee shall be entitled to rely upon any investment directions from the Successor Agency as conclusive certification to the Trustee that investments described therein are in compliance with the Successor Agency’s investment policy then in effect:

- (a) Cash;
- (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America;
- (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America;
- (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;
- (e) Federal Housing Administration debentures;
- (f) the following listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
  - (i) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;

(iii) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and

(iv) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(g) unsecured certificates of deposit, time deposits, and bankers' acceptances or other similar bank deposit products (having maturities of not more than 365 days) of any bank (which may include the Trustee and its affiliates) the short-term obligations of which are rated "A-1+" or better by S&P and "Prime-1" by Moody's;

(h) deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least \$15 million;

(i) commercial paper (having original maturities of not more than 270 days) rated at the time of purchase "A-1+" by S&P and "Prime-1" by Moody's;

(j) money market funds (including funds for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise) rated "Aam" or "AAm-G" by S&P, or better and if rated by Moody's rated "Aa2" or better;

(k) "State Obligations", which means:

(i) direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of such state, subdivision or agency and which is rated at least "Aa" by Moody's and at least "AA" by S&P;

(ii) direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's; and

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated "AA-" or better by S&P and "Aa3" or better by Moody's;

(l) pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification Report");

(iv) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

(vi) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent;

(m) repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "AA-" by S&P and "Aa3" Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "AA-" by S&P and "Aa3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least "AA-" by S&P and "Aa3" by Moody's;

(n) investment agreements with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; and

(o) the Local Agency Investment Fund which is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided that for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee.

["Policy Costs"] shall have the meaning given that term in Exhibit D hereof.]

"Principal Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(b).

"Principal Corporate Trust Office" means the principal corporate trust office that the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of this Indenture.

"Project Area" means the project area described in the Redevelopment Plan.



“Qualified Reserve Account Credit Instrument” means an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) at the time of issuance of the letter of credit, insurance policy or surety bond, S&P or Moody’s have assigned a long-term credit rating to such bank or insurance company or the instrument, as applicable, of at least “AA” or “Aa”; (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit, insurance policy or surety bond has a stated amount at least equal to the Reserve Requirement or, if such letter of credit, insurance policy or surety bond is being provided with respect to only a portion of the Reserve Requirement, such letter of credit, insurance policy or surety bond has a stated amount at least equal to that portion of the Reserve Requirement with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), 4.03(b) or 4.03(c) of this Indenture.

“Recognized Obligation Payment Schedule” means the schedule by that name prepared in accordance with the requirements of Section 34177(l) of the California Health and Safety Code.

“Record Date” means, with respect to any Interest Payment Date, the close of business on the 15th calendar day of the month preceding such Interest Payment Date, whether or not such 15th calendar day is a Business Day.

“Redevelopment Obligation Retirement Fund” means the fund established and held by the Successor Agency pursuant to Section 34170.5(a) of the California Health and Safety Code.

“Redevelopment Plan” means the Redevelopment Plan for the Gridley Redevelopment Project, approved by Ordinance No. 714-2002 enacted by the City Council of the City on July 15, 2002 and effective on August 14, 2002, together with any amendments thereof duly enacted pursuant to the Redevelopment Law.

“Redevelopment Property Tax Trust Fund” means the fund established pursuant to Section 34170.5(b) of the California Health and Safety Code and administered by the Successor Agency.

“Registration Books” means the records maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Bonds.

“Prior Bonds” has the meaning given it in the Recitals.

“Refunding Law” means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, and the acts amendatory thereof and supplemented thereto.

“Report” means a document in writing signed by an Independent Redevelopment Consultant and including:

(a) a statement that the person or firm making or giving such Report has read the pertinent provisions of this Indenture to which such Report relates;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and

(c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

“Reserve Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(c).

“Reserve Requirement” means, with respect to the 2022 Bonds and each series of Parity Debt issued in the form of Bonds for which a reserve is required, the lesser of

(i) 125% of the average Annual Debt Service with respect to that series of the Bonds,

(ii) Maximum Annual Debt Service with respect to that series of the Bonds, or

(iii) with respect to an individual series of Bonds, 10% of the original principal amount of a series of Bonds (or, if such series of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such series of Bonds);

provided, that the Reserve Requirement may be determined on a combined or individual basis for two or more series of Bonds, as determined by the Successor Agency and that in no event shall the Successor Agency, in connection with the issuance of Parity Debt in the form of Bonds pursuant to a Supplemental Indenture be obligated to deposit an amount in the Reserve Account which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such Parity Debt issued in the form of Bonds, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.03(c) hereof.

In the event a Qualified Reserve Account Credit Instrument is delivered at any time to meet the entirety of the Reserve Requirement with respect to one or more series of Bonds (that is, no cash is being deposited or will remain deposited in the Reserve Account or subaccount therein with respect to those series of Bonds), then, notwithstanding the foregoing definition, the Reserve Requirement will, with respect to those series of Bonds, be determined only at the time of the delivery of the Qualified Reserve Account Credit Instrument and will not be subject to increase (but may be subject to decrease) at a later date.

[The Successor Agency will meet the Reserve Requirement in connection with the issuance of the 2022 Bonds by depositing the 2022 Reserve Policy in the Reserve Account. To the extent the calculation of Reserve Requirement for the 2022 Bonds decreases over time, the policy limit for the 2022 Reserve Policy will automatically decrease over time so that it always equals the Reserve Requirement.]

[“Senior Pass-Through Agreements” means, collectively, \_\_\_\_\_, each as executed and as heretofore or hereafter amended or supplemented.]

“S&P” means S&P Global Ratings, and its successors.

“Securities Depositories” means DTC and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Written Request of the Successor Agency delivered to the Trustee.

“Semiannual Period” means (a) each six-month period beginning on January 1 of any calendar year and ending on June 30 of such calendar year, and (b) each six-month period beginning on July 1 of any calendar year and ending on December 31 of such calendar year.

“State” means the State of California.

“Subordinate Debt” means any loan, advances or indebtedness issued or incurred by the Successor Agency, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues, including revenue bonds and other debts and obligations scheduled for payment pursuant to Section 34183(a)(2) of the Law; or (b) secured by a pledge of or lien upon the Tax Revenues which is subordinate to (i) the pledge of and lien upon the Tax Revenues hereunder for the security of the Bonds, and (ii) the Successor Agency’s obligation to reimburse the provider of a letter of credit, surety bond or similar instrument for the debt service reserve account for any Parity Debt.

“Successor Agency” means the Successor Agency of the City of Gridley Redevelopment Agency, a public entity duly organized and existing under the Law.

“Supplemental Indenture” means any resolution, agreement or other instrument that has been duly adopted or entered into by the Successor Agency, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Tax Revenues” means all taxes that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and that are deposited in the Redevelopment Property Tax Trust Fund for transfer to the Successor Agency for deposit into the Redevelopment Obligation Retirement Fund, excluding all amounts payable by the Agency under the Senior Pass-Through Agreements or required to be paid to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law unless such payments are subordinated to payments on the 2022 Bonds or any additional Bonds or to the payments owed under any Parity Debt Instrument pursuant to Section 33607.5(e) of the Law and 34177.5(c) of the Dissolution Act.

“Trustee” means U.S. Bank Trust Company, National Association, as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI.

“2022 Bonds” means, collectively, the 2022 Series A Bonds and the 2022 Series B Taxable Bonds.

["2022 Insurer" means \_\_\_\_\_, or any successor thereto or assignee thereof, as issuer of the 2022 Reserve Policy.]

["2022 Policy" means the Municipal Bond Insurance Policy relating to the 2022 Bonds issued by the 2022 Insurer.]

["2022 Reserve Policy" means the Municipal Bond Debt Service Reserve Insurance Policy relating to the 2022 Bonds issued by the 2022 Insurer.]

["2022 Reserve Policy Costs" means amounts required to repay draws on the 2022 Reserve Policy, and payment of expenses of the 2022 Insurer, and accrued interest on such draws and expenses at the 2022 Reserve Policy Late Payment Rate.]

["2022 Reserve Policy Late Payment Rate" means, as calculated by the 2022 Insurer, the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (the "Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the 2022 Bonds, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The 2022 Reserve Policy Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company as the 2022 Insurer, in its sole and absolute discretion, shall specify. ]

"2022 Series A Bonds" means the Successor Agency of the City of Gridley Redevelopment Agency 2022 Series A Tax Allocation Refunding Bonds.

"2022 Series B Taxable Bonds" means the Successor Agency of the City of Gridley Redevelopment Agency 2022 Series B Taxable Tax Allocation Refunding Bonds.

"Written Request of the Successor Agency" or "Written Certificate of the Successor Agency" means a request or certificate, in writing signed by the Executive Director or Chief Financial Officer/Finance Director of the Successor Agency or his or her designee, or by any other officer of the Successor Agency duly authorized by the Governing Board of the Successor Agency for that purpose.

Section 1.03. Rules of Construction. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

## ARTICLE II

### AUTHORIZATION AND TERMS

Section 2.01. Authorization of 2022 Bonds. The 2022 Bonds are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Law and the Refunding Law and shall be issued in two separate series designated the "Successor Agency of the City of Gridley Redevelopment Agency 2022 Series A Tax Allocation Refunding Bonds" in the initial aggregate principal amount of \$\_\_\_\_\_ and the "Successor Agency of the City of Gridley Redevelopment Agency 2022 Series B Taxable Tax Allocation Refunding Bonds" in the initial aggregate principal amount of \$\_\_\_\_\_.

This Indenture constitutes a continuing agreement with the Owners of all of the Bonds, including the 2022 Bonds, issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds, including the 2022 Bonds, which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

Section 2.02. Terms of 2022 Bonds. The 2022 Bonds shall be dated as of the Closing Date, and shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof. The 2022 Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rate per annum as follows:

#### 2022 Series A Bonds

Maturity (Sept. 1)	Principal Amount	Interest Rate	CUSIP† ( )
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#### 2022 Series B Taxable Bonds

Maturity (Sept. 1)	Principal Amount	Interest Rate	CUSIP† ( )
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Interest on the 2022 Bonds (including the final interest payment upon maturity or earlier redemption) shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first

class mail, postage prepaid, on the Interest Payment Date, to such Owner at the address of such Owner as it appears on the Registration Books as of such Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of 2022 Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee prior to the applicable Record Date. Principal of and redemption premium (if any) on any 2022 Bond shall be paid upon presentation and surrender thereof, at maturity, at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the 2022 Bonds shall be payable in lawful money of the United States of America.

Each 2022 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) a 2022 Bond is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date; *provided, however*, that if, as of the date of authentication of any 2022 Bond, interest thereon is in default, such 2022 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

#### Section 2.03. Redemption of 2022 Bonds.

##### (a) Optional Redemption.

(i) 2022 Series A Bonds. The 2022 Series A Bonds maturing on or prior to September 1, 20\_\_\_\_, are not subject to optional redemption prior to their stated maturities. The 2022 Series A Bonds maturing on and after September 1, 20\_\_\_\_ are subject to redemption prior to their stated maturities, at the option of the Successor Agency on any date on or after September 1, 20\_\_\_\_, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at the principal amount of the 2022 Series A Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium.

(ii) 2022 Series B Taxable Bonds. The 2022 Series B Bonds maturing on or prior to September 1, 20\_\_\_\_, are not subject to optional redemption prior to their stated maturities. The 2022 Series B Bonds maturing on and after September 1, 20\_\_\_\_ are subject to redemption prior to their stated maturities, at the option of the Successor Agency on any date on or after September 1, 20\_\_\_\_, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at the principal amount of the 2022 Series B Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium.

(b) Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least 20 but not more than 60 days prior to the redemption date, (i) to any Insurer and to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and one or more Information Services designated in a Written Request of the Successor Agency filed with the Trustee; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state, in the case of a redemption pursuant to (a) above, that

such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee, shall designate the CUSIP number of the Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(c) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Bond or Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(d) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(e) Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

Section 2.04. Form of 2022 Bonds. The 2022 Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with

necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.05. Execution of 2022 Bonds. The 2022 Bonds shall be executed on behalf of the Successor Agency by the signature of the Executive Director or Chief Financial Officer of the Successor Agency. Such signature may be made manually or may be affixed by facsimile thereof. The 2022 Bonds shall be attested by the manual or facsimile of the Secretary of the Governing Board of the Successor Agency. If any officer whose signature appears on any 2022 Bond ceases to be such officer before delivery of the 2022 Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2022 Bonds to the purchaser. Any 2022 Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such 2022 Bond shall be the proper officers of the Successor Agency although on the date of such 2022 Bond any such person shall not have been such officer of the Successor Agency.

Only such of the 2022 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore set forth, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate shall be conclusive evidence that such 2022 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary 2022 Bonds are issued pursuant to Section 2.09 hereof, the temporary 2022 Bonds may bear thereon a Certificate of Authentication executed and dated by the Trustee, shall be initially registered by the Trustee, and, until so exchanged as provided under Section 2.09 hereof, the temporary 2022 Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive 2022 Bonds authenticated and delivered hereunder.

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond or Bonds shall be surrendered for registration of transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of like series, interest rate, maturity and principal amount of authorized denomination. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Bonds during the period 15 days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds pursuant to this Section 2.07. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.



The Trustee may refuse to exchange, under the provisions of this Section 2.07, either (a) any Bonds during the period 15 days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

Section 2.08. Registration of Bonds. The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours be open to inspection by the Successor Agency, upon reasonable prior notice to the Trustee; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Bonds. If the Successor Agency issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations, interest rates and like maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Successor Agency and the Trustee and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Successor Agency). The Successor Agency may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.10 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

## Section 2.11. Book-Entry System.

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered Bond without coupons (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, neither the Successor Agency nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, neither the Successor Agency nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Successor Agency elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Successor Agency shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition to the execution and delivery of such letter, upon written request of the Depository or the Trustee, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Successor Agency

determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium (if any) on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

## ARTICLE III

### DEPOSIT AND APPLICATION OF PROCEEDS OF 2022 BONDS

Section 3.01. Issuance of 2022 Bonds. (a) Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver 2022 Series A Bonds to the Trustee in the aggregate principal amount of \$\_\_\_\_\_ and the Trustee shall authenticate and deliver the 2022 Series A Bonds upon the Written Request of the Successor Agency.

(b) Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver 2022 Series B Taxable Bonds to the Trustee in the aggregate principal amount of \$\_\_\_\_\_ and the Trustee shall authenticate and deliver the 2022 Series B Taxable Bonds upon the Written Request of the Successor Agency.

#### Section 3.02. Application of Proceeds of Sale and Certain Other Amounts.

(a) *2022 Series A Bond Proceeds.* On the Closing Date the proceeds of sale of the 2022 Series A Bonds shall be paid to the Trustee in the amount of \$\_\_\_\_\_, being (i) the purchase price of \$\_\_\_\_\_, less (ii) a portion of the premium for the 2022 Policy and 2022 Reserve Policy (\$\_\_\_\_\_), which will be paid directly by the original purchaser to the 2022 Insurer. The Trustee shall apply the proceeds described in the previous sentence as follows:

(i) The Trustee shall deposit the amount of \$\_\_\_\_\_ in the Series 2022A Subaccount of the Costs of Issuance Account of the Bond Proceeds Fund.

(ii) The Trustee shall transfer the amount of \$\_\_\_\_\_ to the Escrow Agent, for deposit pursuant to and in the amounts shown in the Escrow Agreement.

(b) *2022 Series B Taxable Bond Proceeds.* On the Closing Date the proceeds of sale of the 2022 Series B Taxable Bonds shall be paid to the Trustee in the amount of \$\_\_\_\_\_, which is equal to (i) the purchase price of the 2022 Series B Taxable Bonds of \$\_\_\_\_\_, less (ii) a portion of the premium for the 2022 Policy and 2022 Reserve Policy (\$\_\_\_\_\_), which will be paid directly by the original purchaser to the 2022 Insurer. The Trustee shall apply the proceeds described in the previous sentence as follows:

(i) The Trustee shall deposit the amount of \$\_\_\_\_\_ in the Series 2022B Subaccount of the Costs of Issuance Account of the Bond Proceeds Fund.

(ii) The Trustee shall transfer the amount of \$\_\_\_\_\_ to the Escrow Agent, for deposit pursuant to and in the amounts shown in the Escrow Agreement.

(c) *[2022 Reserve Policy.* On the Closing Date, the Trustee shall deposit the 2022 Reserve Policy in the Reserve Account.]

Section 3.03. Bond Proceeds Fund; Costs of Issuance Account. There is hereby established a separate fund to be known as the "Bond Proceeds Fund", which shall be held by the Trustee in trust, and within such Fund there shall be established a separate Costs of Issuance Account and subaccounts therein as a "2022A Subaccount" and "2022B Subaccount." The moneys in the Costs of Issuance Account shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose

for which the obligation was incurred and that such payment is a proper charge against said fund. Allocations among the subaccounts for payment of all costs of issuance shall be as follows: \_\_\_\_% from the 2022A Subaccount and \_\_\_\_% from the 2022B Subaccount. On the date which is 3 months following the Closing Date, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Account shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Debt Service Fund as follows: (i) amounts transferred from the 2022A Subaccount shall be transferred to the Interest Account of the Debt Service Fund allocable to 2022 Series A Bonds and shall be used to pay interest on the 2022 Series A Bonds, and (ii) amounts transferred from the 2022B Subaccount shall be transferred to the Interest Account of the Debt Service Fund allocable to 2022 Series B Bonds and shall be applied to pay interest on the 2022 Series B Taxable Bonds; and the Trustee shall close the Costs of Issuance Account.

## ARTICLE IV

### SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01. Security of Bonds; Equal Security. Except as provided in Section 6.06, the Bonds and any Parity Debt shall be equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account and the Principal Account, without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The 2022 Bonds and any other Bonds secured by the Reserve Account shall be additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Reserve Account. The Bonds shall be also equally secured by the pledge and lien created with respect to the Bonds by Section 34177.5(g) of the Law on the Tax Revenues deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues. The Successor Agency has heretofore established the Redevelopment Obligation Retirement Fund pursuant to Section 34170.5(a) of the Law which the Successor Agency shall continue to hold and maintain so long as any of the Bonds are Outstanding or any amounts are due and owing to the 2022 Insurer.

In accordance with Section 5.08 hereof, the Successor Agency shall deposit all Tax Revenues into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof. All Tax Revenues received by the Successor Agency in excess of amounts required herein or as additionally required pursuant to a Supplemental Indenture or Parity Debt Instrument shall be released from the pledge and lien hereunder and shall be applied in accordance with the Law,

including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in this Indenture and in any Supplemental Indenture.

Section 4.03. Deposit of Amounts by Trustee. There is hereby established a trust fund to be known as the Debt Service Fund, which shall be held by the Trustee hereunder in trust. Concurrently with transfers with respect to Parity Debt pursuant to Parity Debt Instruments, moneys in the Redevelopment Obligation Retirement Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority:

(a) Interest Account. Promptly upon receipt, and in any event no later than the 5th Business Day preceding each Interest Payment Date, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee, for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable.

(b) Principal Account. Promptly upon receipt, and in any event no later than the 5th Business Day preceding each September 1 on which the principal of the Bonds becomes due and payable, and at maturity, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, will be equal to the amount of principal coming due and payable on such date on the Bonds. No such deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next September 1 on all of the Outstanding Bonds and any Parity Debt. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds and any Parity Debt as it shall become due and payable.

(c) Reserve Account. There is hereby established in the Debt Service Fund a separate account known as the "Reserve Account," solely as security for payments on the 2022 Bonds payable by the Successor Agency pursuant to this Section 4.03, which shall be held by the Trustee in trust for the benefit of the Owners of the 2022 Bonds. The Reserve Requirement for the 2022 Bonds shall be satisfied by the delivery of the 2022 Reserve Policy by the 2022 Insurer to the Trustee on the Closing Date. The Trustee shall draw on the 2022 Reserve Policy in accordance with its terms and conditions and the terms of this Indenture.

[The amounts available under the 2022 Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account

and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts.]

[The Trustee shall comply with all documentation relating to the 2022 Reserve Policy as shall be required to maintain the 2022 Reserve Policy in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this subsection (c), including the reimbursement of all amounts due and owing to the 2022 Insurer in respect of the 2022 Reserve Policy.]

[The Successor Agency shall have no obligation to replace the 2022 Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2022 Bonds are Outstanding, amounts are not available under the 2022 Reserve Policy or if the rating of the claims-paying ability of the 2022 Insurer is downgraded.]

In connection with the future issuance of Bonds pursuant to Section 5.02, the Successor Agency shall determine whether such Bonds shall be secured by the Reserve Account.

Section 4.04. 2022 Reserve Policy. The Reserve Requirement for the 2022 Bonds will be satisfied in the form of the issuance of the 2022 Reserve Policy. The Trustee shall comply with all of the terms and provisions of the 2022 Reserve Policy for the purpose of assuring that funds are available thereunder when required for the purposes of the Reserve Account, within the limits of the coverage amount provided by the 2022 Reserve Policy. All amounts drawn by the Trustee under the 2022 Reserve Policy will be deposited into the Reserve Account and applied for the purposes thereof.

SECTION 4.05. Provisions Relating to 2022 Reserve Policy. So long as the 2022 Reserve Policy remains in effect, the Successor Agency and the Trustee shall comply with all of the terms and provisions set forth in Exhibit C relating to the 2022 Insurer and the 2022 Reserve Policy. Such provisions are hereby incorporated into this Indenture by this reference, and shall control and supersede any conflicting or inconsistent provisions in this Indenture.

SECTION 4.06. Provisions Relating to 2022 Policy. So long as the 2022 Policy remains in effect, the Successor Agency and the Trustee shall comply with all of the terms and provisions set forth in Exhibit D relating to the 2022 Insurer and the 2022 Policy. Such provisions are hereby incorporated into this Indenture by this reference, and shall control and supersede any conflicting or inconsistent provisions in this Indenture.

## ARTICLE V

### OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01. Punctual Payment. The Successor Agency shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds together with the premium thereon, if any, in strict conformity with the terms of the Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and the Bonds. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

#### Section 5.02. Limitation on Additional Indebtedness; Against Encumbrances.

(a) No Superior Debt. The Successor Agency covenants that it will not issue any bonds, notes, or other obligations that are payable from or secured by a lien on Tax Revenues that is superior to the lien in favor of the Bonds under this Indenture.

(b) Parity Debt. The Successor Agency may issue Parity Debt solely to refund all or a portion of the Outstanding Bonds provided that with respect to any such refunding (i) debt service on such Parity Debt, as applicable, is lower than debt service on the obligations being refunded during the remaining period the obligations would otherwise be outstanding, (ii) the final maturity of any such Parity Debt does not exceed the final maturity of the obligations being refunded, (iii) the interest rate on the Parity Debt shall be fixed on the date of issuance of the Parity Debt, and (iv) principal payments shall be on September 1 and interest payments on March 1 and September 1. In connection with the future issuance of Parity Debt pursuant to this Section 5.02(b), the Successor Agency shall determine whether Bonds shall be secured by the Reserve Account, a separate reserve fund or no reserve fund at all; and whether or not Parity Debt other than Bonds shall be secured by a reserve fund.

Nothing herein shall prevent the Successor Agency from issuing Subordinate Debt. Any Subordinate Debt shall be payable on the same dates as the Bonds and shall be in all respects, including security and payments, subordinate and junior to the Bonds and the replenishment of the Reserve Account to the Reserve Requirement.

Additional provisions related to the issuance of Parity Debt are set forth in Exhibit C.

Section 5.03. Extension of Payment. The Successor Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any Bond or claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding the Bonds or claims for interest in any other manner. In case the maturity of any such Bond or claim for interest shall be extended or funded, whether or not with the consent of the Successor Agency, such Bond or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04. Payment of Claims. The Successor Agency shall promptly pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Tax Revenues or other amounts pledged to the payment of the



Bonds, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.

Section 5.05. Books and Accounts; Financial Statements. The Successor Agency shall at all times keep, or cause to be kept, proper and current books and accounts in which accurate entries are made of the financial transactions and records of the Successor Agency. Within 270 days after the close of each Fiscal Year an Independent Certified Public Accountant shall prepare an audit of the financial transactions and records of the Successor Agency for such Fiscal Year. To the extent permitted by law, such audit may be included within the annual audited financial statements of the City. The Successor Agency shall furnish a copy of such financial statements to any Owner upon reasonable request of such Owner and at the expense of such Owner. The Trustee shall have no duty to review such audits.

Section 5.06. Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to any series of Bonds, such series of Bonds shall be incontestable by the Successor Agency.

Section 5.07. Payments of Taxes and Other Charges. Except as otherwise provided herein, the Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Project Area, or upon the revenues therefrom when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Project Area or any part thereof.

Section 5.08. Compliance with the Law; Recognized Obligation Payment Schedules.

(a) The Successor Agency shall comply with all of the requirements of the Law.

(b) Pursuant to Section 34177 of the Law, not later than each date a Recognized Obligation Payment Schedule is due, the Successor Agency shall submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Semiannual Period (i) debt service on the Bonds so as to enable the Butte County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis, as such amounts of debt service are set forth in the Recognized Obligation Payment Schedule attached hereto as Exhibit B and hereby made a part hereof, or as such Schedule may be hereafter amended.

(c) In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds and all amounts due hereunder on a timely basis, the Successor Agency acknowledges that, based on available funds and moneys to be received from the February 1, 2022 Recognized Obligation Payment Schedule distribution dates, the Successor Agency will have sufficient funds to pay debt service on the 2022 Bonds on March 1, 2023.

Thereafter, not later than February 1, 2023 and each February 1 thereafter (or at such other time as may be required by the Dissolution Act), for so long as any Bonds are outstanding or any amounts are due to the 2022 Insurer, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the Butte County Auditor-Controller that shall at least include the following amounts:

(i) 100% of the amount of principal and interest on the Bonds and any Parity Debt coming due and payable on the next succeeding September 1 and on each of the two Interest Payment Dates thereafter (as illustrated below);

(ii) any amount required under this Indenture or any Parity Debt Instrument to replenish the Reserve Account established hereunder or the reserve account established under any Parity Debt Instrument, and

(iii) amounts due to the 2022 Insurer or any other issuer of a Qualified Reserve Account Credit Instrument hereunder or under an insurance or surety bond agreement,

in each annual Recognized Obligation Payment Schedule so as to enable the Butte County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective subsequent six-month period and to pay amounts owed to the 2022 Insurer or any other issuer of a Qualified Reserve Account Credit Instrument, as well as the other amounts set forth above.

By way of illustration, the amount requested under the foregoing clause (c)(i) the Recognized Obligation Payment Schedule that is filed by February 1, 2023 shall include 100% of the amount of principal of and interest on the Bonds and any Parity Debt coming due and payable on September 1, 2023, on March 1, 2024 and on September 1, 2024.

The foregoing actions will also include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with this Indenture.

(d) In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2022 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than one of half of debt service due during each Bond Year on all Outstanding Bonds prior to September 1 of such Bond Year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding March 1.

(e) In the event the Successor Agency fails to provide the Oversight Board for approval, or provide the State Department of Finance with an Oversight Board approved

Recognized Obligation Payment Schedule, by the statutory deadlines relating to the 2022 Bonds for any period, the Successor Agency designates the 2022 Insurer as its attorney in fact with the power to make such a request relating to the 2022 Bonds; provided, however, that the 2022 Insurer will provide a copy of such request to the Successor Agency prior to such submission.

(f) If any amounts then due and payable to the 2022 Insurer under this Indenture are not included on any current Recognized Obligation Payment Schedule and the Successor Agency is then legally permitted to amend such Recognized Obligation Payment Schedule, the Successor Agency will submit to the Oversight Board and the State Department of Finance a request to amend such Recognized Obligation Payment Schedule to include such amounts then due and payable to the 2022 Insurer.

(g) The Successor Agency will not submit to the Oversight Board and the State Department of Finance a request for the final amendment permitted for its Last and Final Recognized Obligation Payment Schedule pursuant to Section 34191.6 without the prior written consent of the 2022 Insurer, unless all amounts that could become due and payable to the 2022 Insurer under this Indenture would be included as a line item on the Last and Final Recognized Obligation Payment Schedule following approval of the requested amendment.

Section 5.09. Dissolution Act Invalid; Maintenance of Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Law or the equivalent to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and, in the case of amounts payable by the State, appropriate officials of the State.

Section 5.10. No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2022 Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2022 Series A Bonds would have caused the 2022 Series A Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

Section 5.11. Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the 2022 Series A Bonds are not so used as to cause the 2022 Series A Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.12. Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2022 Series A Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

Section 5.13. Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2022 Series A Bonds.

Section 5.14. Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the 2022 Series A Bonds from the gross income of the Owners of the 2022 Series A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2022 Series A Bonds. The Successor Agency shall not allow any portion of the proceeds of the 2022 Series A Bonds to be used to pay costs of issuance of the 2022 Series B Bonds.

Section 5.15. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder. However, any Participating Underwriter or any holder or beneficial owner of the 2022 Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 5.15.

Section 5.16. Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VI  
THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants, duties or obligations shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Successor Agency may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Successor Agency has knowledge that the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of at least 30 days' written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Successor Agency and by giving the Owners notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction at the expense of the Successor Agency for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing, acknowledging and delivering to the Successor Agency and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Successor Agency or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to

any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Successor Agency shall mail a notice of the succession of such Trustee to the trusts hereunder to the Owners at their respective addresses shown on the Registration Books. If the Successor Agency fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Successor Agency.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a financial institution having a corporate trust office in the State, having (or in the case of a corporation, national banking association or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

The Successor Agency will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this subsection (e), so long as any Bonds are Outstanding.

Section 6.02. Merger or Consolidation. Any bank, national banking association or trust company into which the Trustee may be merged or converted or with which may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company shall be eligible under subsection (e) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

#### Section 6.03. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the security for the Bonds or the tax status of interest thereon nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or intentional misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and employees may become the Owner of any Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed

to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made by a responsible employee or officer, unless the Trustee shall have been negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall not be liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or intentional misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof from the Successor Agency at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no Event of Default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by any other party of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee may rely conclusively on the Successor Agency's certificates to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Tax Revenues into the Redevelopment Obligation Retirement Fund and the investment and application of moneys on deposit in the Redevelopment Obligation Retirement Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

The Trustee shall have no liability or obligation to the Bondowners with respect to the payment of debt service on the Bonds by the Successor Agency or with respect to the observance or performance by the Successor Agency of the other conditions, covenants and terms contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held or maintained by the Successor Agency pursuant to this Indenture or otherwise.

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Trustee shall be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers and the Trustee shall not be responsible for any intentional misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it hereunder.



The Trustee shall have no responsibility, opinion, or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

Before taking any action under Article VIII or this Article at the request of the Owners the Trustee may require that a satisfactory indemnity bond be furnished by the Owners for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project refinanced with the proceeds of the Bonds, malicious mischief, condemnation, and unusually severe weather and/or occurrences beyond the control of the Trustee.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that the directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially

reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

Section 6.04. Right to Rely on Documents and Opinions. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. The Trustee may consult with counsel, including, without limitation, counsel of or to the Successor Agency, with regard to legal questions, and, in the absence of negligence or intentional misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Successor Agency, which shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant or Independent Redevelopment Consultant appointed by the Successor Agency.

Section 6.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times upon reasonable notice to the inspection of the Successor Agency and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

Section 6.06. Compensation and Indemnification. The Successor Agency shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture in accordance with the letter proposal from the Trustee approved by the Successor Agency and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a first lien on the Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

The Successor Agency further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless from and against any loss, expense and liabilities, including legal fees and expenses, which it may incur arising out of or in connection with the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or intentional misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Successor Agency and the rights of the Trustee under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

Section 6.07. Deposit and Investment of Moneys in Funds. Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account and the Costs of Issuance Account shall be invested by the Trustee in Permitted Investments as directed by the Successor Agency in the Written Request of the Successor Agency filed with the Trustee at least 2 Business Days in advance of the making of such investments. In the absence of any such Written Request of the Successor Agency, the Trustee shall hold such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. Moneys in the Redevelopment Obligation Retirement Fund may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the Successor Agency or otherwise made pursuant to this Section.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the Successor Agency for earnings derived from funds that have been invested.

The Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. The Trustee has no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any Written Certificate or Written Request of the Successor Agency. Trustee shall be deemed to have complied with such

valuation through use of its automated pricing service as reflected on its trust accounting statements.

Section 6.08. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which accurate entries shall be made of all transactions of the Trustee relating to the proceeds of the Bonds made by it and all funds and accounts held by the Trustee established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Successor Agency upon reasonable prior notice, at reasonable hours and under reasonable circumstances. The Trustee shall furnish to the Successor Agency, at least monthly, an accounting of all transactions in the form of its customary statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

Section 6.09. Appointment of Co-Trustee or Agent. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 6.09 are adopted to these ends.

In the event that the Trustee shall appoint an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them; provided, however, in no event shall the Trustee be responsible or liable for the acts or omissions of any co-trustee.

Should any instrument in writing from the Successor Agency be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Successor Agency. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 6.10. Other Transactions with Successor Agency. The Trustee, either as principal or agent, may engaged in or be interested in any financial or other transaction with the Successor Agency.

## ARTICLE VII

### MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.01. Amendment With And Without Consent of Owners. This Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption and without the consent of any Owners, to the extent permitted by law and only for any one or more of the following purposes-

(a) to add to the covenants and agreements of the Successor Agency in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers herein reserved to or conferred upon the Successor Agency; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not, in the reasonable determination of the Successor Agency, materially adversely affect the interests of the Owners; or

(c) to amend the Recognized Obligation Debt Service Payment Schedule set forth in Exhibit B to reflect the issuance of Parity Debt or to take into account the redemption of any Bond prior to its maturity; or

(d) to provide for the issuance of Parity Debt pursuant to a Supplemental Indenture, as such issuance is authorized by Section 5.02.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding with the consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premium, (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In addition, the Trustee shall be entitled to an opinion of counsel concerning the Supplemental Indenture's lack of any material adverse effect on the Owners.

Section 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency the Owners of such Bonds shall present such Bonds for that purpose at the Principal Corporate Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared at the expense of the Successor Agency and executed in exchange for any or all of the Bonds, and in that case, upon demand of the Successor Agency, the Owners of the Bonds shall present such Bonds for exchange at the Trust Office of the Trustee, without cost to such Owners.

Section 7.04. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond.

Section 7.05. Trustee's Reliance. The Trustee may conclusively rely, and is protected in relying, upon a Written Certificate of the Successor Agency and an opinion of Bond Counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Bond Owners.

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.01. Events of Default and Acceleration of Maturities. The following events shall constitute Events of Default hereunder:

(a) if default shall be made by the Successor Agency in the due and punctual payment of the principal of or interest on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds or any Parity Debt Instrument contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of 60 days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default, provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such 60 day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency within such 60 day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time; or

(c) If the Successor Agency files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction will approve a petition seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will approve a petition, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the Successor Agency or of the whole or any substantial part of its property.

If an Event of Default has occurred and is continuing, the Trustee may, or, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (a) with respect to Events of Default pursuant to 8.01(a) or (c), declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (b) the Trustee shall, subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Bond Owners in law or at equity.

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone promptly confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (a) or (c) above the Trustee shall also give such notice to the Owners by mail, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).



This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law), and the reasonable fees and expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall promptly give written notice of the foregoing to the Owners of all Bonds then Outstanding, and the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Section 8.02. Application of Funds Upon Acceleration. All of the Tax Revenues and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents and advisors (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees, expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, with interest on the overdue principal and installments of interest at the net effective rate then borne by the Outstanding Bonds (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest; and

Third, to the payment of any amounts owed to the 2022 Insurer hereunder.

Section 8.03. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with

respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however*, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 8.04. Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.05. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Tax Revenues and other amounts pledged hereunder, the principal of and interest on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner or the Trustee shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners and the Trustee by the Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners and the Trustee.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Owners or the Trustee, the Successor Agency, the

Trustee and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 8.06. Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, *provided, however*, the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel).

Section 8.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

## ARTICLE IX

### MISCELLANEOUS

Section 9.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the 2022 Insurer and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, the 2022 Insurer and the Owners. The 2022 Insurer shall be deemed to be a third-party beneficiary of this Indenture, with all rights of a third-party beneficiary. The 2022 Insurer may enforce the provisions of this Indenture as if it were a party hereto.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Defeasance of Bonds. If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and interest on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable; or

(ii) by irrevocably depositing with the Trustee, in trust or an escrow holder, in escrow, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay all or a portion of Outstanding Bonds, including all principal and interest, or;

(iii) by irrevocably depositing with the Trustee, in trust or an escrow holder, in escrow, Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds or a portion thereof (including all principal and interest) at or before maturity; or

(iv) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (a) the covenants of the Successor Agency hereunder with respect to the Code, (b) the obligation of the Trustee to transfer and exchange Bonds hereunder, (c) the obligations of the Successor Agency under Section 6.06 hereof, and (d) the obligation of the Successor Agency to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and

to pay the Trustee all fees, expenses and costs of the Trustee. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due the Trustee pursuant to Section 6.06 shall be paid over to the Successor Agency for deposit in the Redevelopment Obligation Retirement Fund.

Additional provisions related to defeasance are set forth in Exhibit C.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof shall be proved by the Registration Books.

Any demand, request, direction, consent, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Trustee and in accordance therewith, provided, however, that the Trustee shall not be deemed to have knowledge that any Bond is owned by or for the account of the Successor Agency unless the Successor Agency is the registered Owner or the Trustee has received written notice that any other registered Owner is such an affiliate.

Section 9.05. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Upon request of the Trustee, the Successor Agency and the City shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 9.06. Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.07. Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy such bonds and upon request of the Successor Agency provide the Successor Agency a certificate of destruction. The Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 9.08. Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or upon receipt when mailed by first class, registered or certified mail, postage prepaid, or sent by telegram, addressed as follows:

If to the Successor Agency:	Successor Agency of the City of Gridley Redevelopment Agency 685 Kentucky Street Gridley, California 95948 Attention: Executive Director
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If to the Trustee:	U.S. Bank Trust Company, National Association One California Street, Suite 1000 San Francisco, California 94111 Attention: Global Corporate Trust
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[If to the 2022 Insurer:]	[To come, if applicable]
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The Successor Agency or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

Section 9.09. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Successor Agency hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof, be assumed by and vest in the Treasurer of the County of Butte, on behalf of the Successor Agency, in trust for the benefit of the Owners. The Successor Agency covenants for the direct benefit of the Owners that its Treasurer in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof.

Section 9.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit

of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

Section 9.11. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.12. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

*[Remainder of page intentionally left blank. Signatures on next page.]*

IN WITNESS WHEREOF, the SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY, has caused this Indenture to be signed in its name by the chief financial officer of the Successor Agency and attested by the Secretary of the Successor Agency, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**SUCCESSOR AGENCY OF THE CITY OF  
GRIDLEY REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
City Administrator of the City of Gridley  
on behalf of Successor Agency

ATTEST:

\_\_\_\_\_  
Secretary/City Clerk

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as *Trustee***

By: \_\_\_\_\_  
Authorized Officer



## EXHIBIT A

### (FORM OF SERIES A BOND)

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
COUNTY OF BUTTE

SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY  
2022 SERIES A TAX ALLOCATION REFUNDING BOND

INTEREST RATE:      MATURITY DATE:      DATED DATE:      CUSIP:  
SEPTEMBER 1, \_\_\_\_, \_\_\_\_\_, 2022

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

The SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY, a public entity, duly created and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before February 15, 2023, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on March 1 and September 1 in each year, commencing March 1, 2023 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the principal corporate trust office of U.S. Bank Trust Company, National Association, San Francisco, California, as trustee (the "Trustee"), or at such other place as designated by the Trustee (the "Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for which such Interest Payment Date occurs; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency of the City of Gridley Redevelopment Agency 2022 Series A Tax Allocation Refunding Bonds" (the "Bonds"), in an aggregate principal amount of \$\_\_\_\_\_, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, redemption and other provisions) and all issued pursuant to the provisions of Section 34177.5 of the Health and Safety Code of the State of California and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law") and pursuant to an Indenture of Trust, dated as of \_\_\_\_\_ 1, 2022, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. The Bonds are being issued on a parity with the Successor Agency of the City of Gridley Redevelopment Agency 2022 Series B Taxable Tax Allocation Refunding Bonds" in an aggregate principal amount of \$\_\_\_\_\_, which are also being issued pursuant to the Indenture. Additional bonds or other obligations may also be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law (as defined in the Indenture) and the Refunding Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency for the purpose of providing funds to refund its Prior Bonds (as defined in the Indenture), to provide for a debt service reserve fund and to pay certain expenses of the Successor Agency in issuing the Bonds.

There has been created under the Law the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds. As and to the extent set forth in the Indenture, all such Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds. In addition, the Bonds shall be additionally secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Redevelopment Obligation Retirement Fund, the Debt Service Fund, the Interest Account, the Principal Account and the Reserve Account (as such terms are defined in the Indenture). Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Bonds maturing on or prior to September 1, 20\_\_\_\_, are not subject to optional redemption prior to their stated maturities. The Bonds maturing on and after September 1, 20\_\_\_\_ are subject to redemption prior to their stated maturities, at the option of the Successor Agency on any date on or after September 1, 20\_\_\_\_, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Corporate Trust Office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Bond during the 15 days prior to the date established for the selection of Bonds for redemption, or (b) any Bond selected for redemption.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premium (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Successor Agency or the Trustee for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond is not a debt of the City of Gridley, the County of Butte, the State of California, or any of its political subdivisions, and neither said City, said County, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the Law,

the Refunding Law and the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Law, the Refunding Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Successor Agency of the City of Gridley Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its chief financial officer and attested by the Secretary/City Clerk of the Successor Agency, as of the Dated Date set forth above.

**SUCCESSOR AGENCY OF THE CITY OF  
GRIDLEY REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
City Administrator of the City of Gridley  
on behalf of Successor Agency

ATTEST:

\_\_\_\_\_  
Secretary/City Clerk

## TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

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

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, *as Trustee***

By: \_\_\_\_\_  
Authorized Signatory

### (FORM OF ASSIGNMENT)

For value received the undersigned hereby sells, assigns and transfers unto

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

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) \_\_\_\_\_ attorney,  
to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signatures Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

Note: The signatures(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

**(FORM OF SERIES B BOND)**  
UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
COUNTY OF BUTTE

SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY  
2022 SERIES B TAXABLE TAX ALLOCATION REFUNDING BOND

INTEREST RATE:                      MATURITY DATE:                      DATED DATE:                      CUSIP:  
   September 1, \_\_,                      \_\_\_\_\_, 2022

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

The SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY, a public entity, duly created and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before February 15, 2023, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on March 1 and September 1 in each year, commencing March 1, 2023 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the principal corporate trust office of U.S. Bank Trust Company, National Association, San Francisco, California, as trustee (the "Trustee"), or at such other place as designated by the Trustee (the "Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for which such Interest Payment Date occurs; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency of the City of Gridley Redevelopment Agency 2022 Series B Taxable Tax Allocation Refunding Bonds" (the "Bonds"), in an aggregate principal amount of \$\_\_\_\_\_, all

of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, redemption and other provisions) and all issued pursuant to the provisions of Section 34177.5 of the Health and Safety Code of the State of California and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law") and pursuant to an Indenture of Trust, dated as of September 1, 2022, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. The Bonds are being issued on a parity with the Successor Agency of the City of Gridley Redevelopment Agency 2022 Series A Tax Allocation Refunding Bonds" in an aggregate principal amount of \$\_\_\_\_\_, which are also being issued pursuant to the Indenture. Additional bonds or other obligations may also be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law (as defined in the Indenture) and the Refunding Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency for the purpose of providing funds to refund its Prior Bonds (as defined in the Indenture), to provide for a debt service reserve fund and to pay certain expenses of the Successor Agency in issuing the Bonds.

There has been created under the Law the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds. As and to the extent set forth in the Indenture, all such Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds. In addition, the Bonds shall be additionally secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Redevelopment Obligation Retirement Fund, the Debt Service Fund, the Interest Account, the Principal Account and the Reserve Account (as such terms are defined in the Indenture). Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Bonds maturing on or prior to September 1, 20\_\_\_\_, are not subject to optional redemption prior to their stated maturities. The Bonds maturing on and after September 1, 20\_\_\_\_ are subject to redemption prior to their stated maturities, at the option of the Successor Agency on any date on or after September 1, 20\_\_\_\_, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Corporate Trust Office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Bond during the 15 days prior to the date established for the selection of Bonds for redemption, or (b) any Bond selected for redemption.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premium (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Successor Agency or the Trustee for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond is not a debt of the City of Gridley, the County of Butte, the State of California, or any of its political subdivisions, and neither said City, said County, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the Law, the Refunding Law and the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Law, the Refunding Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.



This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Successor Agency of the City of Gridley Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its chief financial officer and attested by the Secretary/City Clerk of the Successor Agency, as of the Dated Date set forth above.

**SUCCESSOR AGENCY OF THE CITY OF  
GRIDLEY REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
City Administrator of the City of Gridley  
on behalf of Successor Agency

ATTEST:

\_\_\_\_\_  
Secretary/City Clerk

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within-mentioned Indenture.

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

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, *as Trustee***

By: \_\_\_\_\_  
Authorized Signatory

**(FORM OF ASSIGNMENT)**

For value received the undersigned hereby sells, assigns and transfers unto

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

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) \_\_\_\_\_ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signatures Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

Note: The signatures(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

**EXHIBIT B**  
**DEBT SERVICE PAYMENT SCHEDULES**

\$ \_\_\_\_\_  
Successor Agency of the City of Gridley Redevelopment Agency  
2022 Series A Tax Allocation Refunding Bonds  
Semi-Annual Debt Service

Date	Principal	Interest	Debt Service	Annual Debt Service
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**Total** \_\_\_\_\_

Date	Principal	Interest	Debt Service	Annual Debt Service
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## **EXHIBIT C**

### **PROVISIONS RELATING TO THE 2022 RESERVE POLICY**

*The following terms and provisions are hereby incorporated into this Indenture by this reference. Such provisions shall control and supersede any conflicting or inconsistent provisions in this Indenture.*

[To come, if applicable]

## **EXHIBIT D**

### **PROVISIONS RELATING TO THE 2022 BOND INSURANCE POLICY**

*The following terms and provisions are hereby incorporated into this Indenture by this reference. Such provisions shall control and supersede any conflicting or inconsistent provisions in this Indenture.*

[To come, if applicable]

**City Council Agenda Item #5**  
**Staff Report**

<b>X</b>	Regular
	Special
	Closed
	Emergency

Date: May 2, 2022

To: Mayor and City Council

From: Cliff Wagner, City Administrator

Subject: Approval of Resolution No. 2022-R-014 Approving the issuance of refunding bonds for refinancing the City's Former Redevelopment Agency (Successor Agency), Gridley Redevelopment Project, Tax Allocation Bonds, Series 2008A (Taxable) and Series 2008B (Tax-Exempt), Indenture of Trust, retaining financing team members, and providing for other matters properly relating.

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**Recommendation**

Adopt Resolution No. No. 2022-R-014 Approving the issuance of refunding bonds for refinancing the City's Former Redevelopment Agency (Successor Agency), Gridley Redevelopment Project, Tax Allocation Bonds, Series 2008A (Taxable) and Series 2008B (Tax-Exempt), Indenture of Trust, retaining financing team members, and providing for other matters properly relating

**Background:**

In 2001, the Former Gridley Redevelopment Agency (Former Agency) adopted a redevelopment plan/project covering 789 acres, a portion of which is located outside the corporate limits of the City and is in the unincorporated territory of Butte County.

In 2008, the Former Agency issued its \$2,980,000, Series 2008A (Taxable) and its \$1,770,000, 2008B (Tax-Exempt) Tax Allocation Bonds ("2008 Bonds"). Financing proceeds from the 2008 Bonds were used to repay the City of Gridley ("City") for funds loaned to the Former Agency to finance various redevelopment activities set forth in the Redevelopment Plan and to fund a debt service reserve fund and a portion of the interest costs on the 2008 Bonds.

The interest rate on the 2008A (Taxable) Bonds is 7.50% through maturity on 8/1/38.

The interest rate on the 2008B (Tax-Exempt) Bonds is 5.00% through maturity on 8/1/43.

It is currently estimated that the 2008 Bonds can be refinanced at significantly lower interest rates with refinancing savings flowing to the City and all taxing entities within the Gridley Redevelopment Project Area in the form of residual property tax revenue no longer needed for debt service on the 2008 Bonds.

The 2008 Bonds can be refinanced on any date with no prepayment premium. The refinancing the 2008 Bonds will be accomplished using "AA" rated insured municipal bonds or, if more cost effective, with direct lender loans referred to as private placements. Which approach generates the most overall refinancing benefit would be determined in the future after required approvals are obtained. Closing is anticipated in September / October 2022, assuming interest rates at that time will produce sufficient refinancing savings to warrant proceeding to closing.

The City Council on 4/18/22, reviewed a Power Point Slide presentation with Bill Fawell, of W. J. Fawell Co., Public Finance, who would serve as the Successor Agency's municipal advisor, Mike Cavanaugh, Managing Director with Hilltop Securities, Inc. (bond underwriter) and James Wawrzyniak, Jr. and Dave Fama of Jones Hall (bond and disclosure counsel).

Approval of the proposed refinancing must be obtained from the Successor Agency, Butte County Consolidated Oversight Board and the State of CA, Dept. of Finance, prior to selling refinancing bonds. Obtaining the approvals is anticipated to take 4-6 months.

Closing the proposed refinancing of the 2008 Bonds is dependent on sufficient net debt service savings to justify proceeding, after all approvals are obtained. At that time, the estimated net debt service savings will be computed looking at both a "AA" insured public offering and a direct lender loan (private placement) to determine which approach offers the most refinancing benefit as recommended by Bill Fawell, the City's / Successor Agency's municipal advisor.

If the estimated debt service savings are insufficient to warrant proceeding, the proposed refinancing, will be "placed on the shelf" until such time interest rates decline, and estimated savings increase to the point of warranting moving ahead to closing.

### **Financing Team**

-Bill Fawell of W. J. Fawell Co., Public Finance, would serve as Municipal Advisor and oversee the proposed refinancing of the 2008 Bonds from start through closing, working directly with City / Successor Agency staff, the Butte County Consolidated Oversight Board (Oversight Board) and State Department of Finance (DOF) and other members of the financing team to complete the proposed refinancing.

He will ensure that all financing costs are appropriate and will review the pricing of the bonds when sold to ensure that market rates are obtained on the day of sale if either a refinancing of the 2008 Bonds was completed using a "AA" insured public offering or if a direct lender, private placement refinancing loan was used. As Municipal Advisor, W. J. Fawell Co., Public Finance has a fiduciary duty to the City and its Successor Agency.

-Hilltop Securities, Inc., as Bond underwriter, will be responsible for marketing an insured refunding bond issue of Successor Agency refunding bonds to both retail and institutional investors. Mike Cavanaugh, Managing Director with Hilltop Securities, Inc, will take the lead in obtaining an underlying bond rating from Standard & Poor's on the proposed refunding of the 2008 Bonds.

He will be responsible for obtaining quotes from municipal bond insurance companies and will assist with arranging the purchase of municipal bond insurance and a surety in lieu of a cash funded debt service reserve fund. He will also run all refinancing numbers and provide required calculations.

In addition, Hilltop will solicit indications of interest and or proposals from commercial banks specializing municipal finance to help determine if refinancing benefits can be maximized using bank loans (private placements) vs. refinancing the 2008 Bonds with "AA" insured publicly sold refunding bonds.



If it is determined that refinancing savings could be maximized using direct lender loans, Hilltop acting as the placement will obtain written proposals from lenders to determine which lender offered the best rates and terms.

-Jones Hall, would serve as Bond Counsel and Disclosure Counsel. As Bond Counsel, Jones Hall will prepare refunding documents and assist as needed with securing needed approvals from the Successor Agency, Oversight Board and DOF. Jones Hall will also ensure that all proceedings comply with Federal and State laws, render required tax opinions and oversee financing closing. Jones Hall as Disclosure Counsel will prepare the Prospectus (Official Statement) and continuing disclosure undertaking of the Successor Agency required for the refunding bonds offering. James Wawrzyniak, Jr. and David Fama, bond lawyers with Jones Hall with extensive experience with similar transactions, will oversee the provision of legal services.

-Dave Schey of HdLCC ("HdLCC") will serve as the Fiscal Consultant will prepare the Fiscal Consultant Report for the proposed refinancing. HdLCC will use their high level of expertise in property tax data base management to identify tax increment revenues available for debt service on the proposed refunding, based on current and projected assessed values and provide consultation to the financing team as needed. HdLCC's work lays the foundation for obtaining a strong underlying bond rating and municipal bond insurance commitment.

A Fiscal Consultant Report is also required by commercial banks, if a direct lender loan was used to refinance the 2008 Bonds.

Payment of professional fees to HdLCC as Fiscal Agent is not contingent on the successful sale of the proposed refinancing as detailed in their professional service agreement, however if needed, their fee can be included in future ROPS submittals and reimbursed to the Successor Agency from available Redevelopment Property Tax Trust Fund ("RPTTF"). However, it is anticipated that their fees will be paid from the costs of issuance upon the closing of the proposed refunding.

-All financing team members, except for HdLCC and Standard & Poor's work on a contingent basis and would not be paid professional fees and expenses, until the proposed refunding closed and then out of financing proceeds. In this way, the Successor Agency can retain the financing team with no financial downside, should the proposed refunding not close for any reason that again is not anticipated.

-If the Fiscal Consultant Report and the S & P rating fees were not paid at closing from the costs of issuance account, the Successor Agency can be reimbursed for these expenses from the State of CA via Successor Agency's ROPs submittals. Ultimately, there is no financial downside for the Successor Agency if the refinancing of the 2008 Bonds was not completed.

#### **How City Will Realize Savings from Proposed 2020 Refunding of Successor Agency, 2008 Bonds**

The debt service on all Successor Agency debt is 100% paid for by property taxes levied and collected within the Project Area. As a result of the proposed refunding of Successor Agency's 2008 Bonds, debt service savings would flow back to all taxing entities within the Project Area in the form of residual property taxes no longer needed for debt service.

Based on information from Butte County, Property Tax Division, the City of Gridley will receive **18.79%** of the estimated debt service savings as residual revenue that would be credited to the City's General Fund.

The below chart represents the outstanding par amount of the 2008 Bonds and the approximate remaining average coupon.

Series 2008 A Taxable Bonds (Redevelopment Project Area)	
Dated Date	May 15, 2008
Original Par	\$2,980,000
Outstanding Principal (After 8/1/21 Payment)	\$2,520,000
Average Coupon (As of 8/1/21)	7.50%
Tax Status	Taxable
First Call Date (Optional Redemption Date)	8/1/19 @ 100%

Series 2008 B Tax- Exempt Bonds (Redevelopment Project Area)	
Dated Date	May 15, 2008
Original Par	\$1,770,000
Outstanding Principal (After 8/1/21 Payment)	\$1,740,000
Average Coupon (As of 8/1/21)	5.00%
Tax Status	Tax-Exempt
First Call Date (Optional Redemption Date)	8/1/19 @ 100%

#### **Estimated Financial Benefits of the Proposed Refunding Using "AA" Insured Tax-Exempt Bond Issue**

-Estimated NPV savings of \$405,831.15 (9.52%) of refunded principal).

-Total estimated net cash flow debt service savings of \$1,149,399(all taxing entities in Project Area)

-Avg. coupon reduced from 6.10% to All Inclusive Cost of 5.09%.

-City's General Fund will receive 18.79% of debt service savings in form of residual property tax savings est. @ \$215,972 thru 8/1/43 (maturity). (FY 2043/2044).

-Annual est. City residual property tax savings est. @ \$9,817 thru 8/1/43(maturity) (FY 2043/2044).

Refunding the 2008 Bonds and reducing the cost of debt service is consistent with the goals and objectives of the Dissolution Act. It has the effect of:

- Reducing the costs of the Successor Agency; and
- Generating additional funds to the taxing entities immediately.

City of Gridley Successor Agency 2019/20 Incremental Weighted Average Rates - Combined			
Taxing Entity	Allocation	Est Annual Savings	Total Savings
City General Fund	18.79%	9,817	215,972
County General Fund	17.18%	8,976	197,467
Special Districts	7.47%	3,903	85,860
K-12 Schools	45.55%	23,798	523,551
Community College	6.77%	3,537	77,814
Co Office of Ed	4.24%	2,215	48,735
<b>Total</b>	<b>100%</b>	<b>52,245</b>	<b>1,149,399</b>

### Costs of Issuance

The estimated costs of issuance for the proposed refunding are below. Virtually all estimated costs of issuance are payable contingent on closing and then out of financing proceeds, so there is no financial downside for the Successor Agency, should the proposed refunding not close for any reason that is not anticipated. The only costs not payable contingent on closing, is the fee for the Fiscal Consultant Report and Standard & Poor's rating fee, but the Successor Agency can be reimbursed for this cost this from RPTTF. The costs of issuance for the 2022 Bonds payable by the Successor Agency are estimated to be \$210,000 consisting of:

- City of Gridley (estimate for reimbursable expenses and staff time) (\$10,000)
- Bond Counsel (\$57,000)
- Disclosure Counsel (\$33,000)
- Municipal Advisor (\$57,000)
- S&P Rating Fee (\$14,000)
- CDIAF Fees (\$1,250)
- Trustee/Counsel Fee (\$6,000)
- Printing (\$2,500)
- Fiscal Consultant (\$22,500)
- Contingency (\$6,750)

In addition, the Underwriter's discount is currently estimated at \$55,000 and premium owed to the bond insurer for bond insurance and reserve fund insurance (assuming a "AA" rated transaction) is \$75,000. **All the savings analysis shown above are shown after deducting all costs and expenses.**

## Refunding Analysis and Required Findings

The plan of finance is to refund the 2008A Taxable Bonds and the 2008B Tax Exempt Bonds in two separate series, to be issued on a taxable and tax-exempt basis, as the Successor Agency shall determine is necessary to comply with Federal tax laws. Bond Counsel will determine if any of the 2008A Taxable bonds can be refinanced on a tax-exempt basis which will reduce the All-in Interest Cost of the Successor Agency.

This Analysis assumes issuance of two series of refunding bonds, with a larger series issued on a taxable basis and a smaller series on a tax-exempt basis. A final determination regarding the structure of the 2022 refinancing Bonds will be made closer to the time of sale of the 2022 Bonds, considering Federal tax laws, but in all events will comply with the requirements of the Dissolution Act.

In accordance with Government Code Section 5852.1, the following information, based on good-faith estimates provided by the Successor Agency's municipal advisor, has been obtained and disclosed to the Successor Agency prior to the issuance of the Bonds: (i) the estimated true interest cost of the Bonds is 5.09%, (ii) the estimated finance charge of the Bonds (being the sum of all fees and charges paid to third parties, including for bond insurance) is \$338,000, (iii) the estimated proceeds of the Bonds expected to be received, net of proceeds for finance charges in (ii) above to paid from the principal amount of the Bonds is \$4,385,000, and (iv) the estimated total payment amount of the Bonds (being the sum of debt service to be paid to final maturity, plus any financing costs not paid from proceeds of the Bonds) is \$6,652,725.

## Financing Schedule

The refinancing process is projected to close by September 8, 2022, as summarized in the financing schedule below, although this is dependent on market conditions, timing of necessary approvals, and other factors:

May 2, 2022	<ul style="list-style-type: none"><li>• Successor Agency Meeting to adopt Resolution Authorizing Refunding of 2008A (Taxable) and 2008B (Tax-Exempt) Tax Allocations Bonds, Retaining Financing Team Members, and Approving Financing Documents</li></ul>
By May 31, 2022	<ul style="list-style-type: none"><li>• Butte County Consolidated Oversight Board Meeting to Approve and Direct Successor Agency to Proceed with Refunding</li></ul>
June 3, 2022	<ul style="list-style-type: none"><li>• Submit Oversight Board Resolution and Documents to Department of Finance</li><li>• Start of 65-day Department of Finance Review Period</li></ul>
July 18, 2022	<ul style="list-style-type: none"><li>• Successor Agency Meeting to adopt Resolution approving Preliminary Official Statement (Prospectus) and Bond Purchase Agreement for the 2022 Refunding Bonds.</li></ul>
August 8, 2022	<ul style="list-style-type: none"><li>• End of Department of Finance Review Period</li></ul>
August 23, 2022	<ul style="list-style-type: none"><li>• Pricing of the Refunding Bonds and Signing of Bond Purchase Contract</li></ul>
Sept. 8, 2022	<ul style="list-style-type: none"><li>• Closing of the 2022 Refunding Bonds</li></ul>

## Summary:

	Series 2022 Bonds
True Interest Cost	4.329%
Budgetary Debt Service Savings	\$1,149,399
Present Value	\$737,515
Less: Prior funds on hand	(\$335,000)
Plus: Rounding Amount	\$3,316
Net Present Value Benefit	\$405,831
Net Present Value/Refunded Principal	9.526%

Bill Fawell of W. J. Fawell Co., Public Finance, would serve as Municipal Advisor to the Successor Agency pursuant to his engagement agreement to refund the 2008 Bonds, using a “AA” rated, insured tax exempt bond issue, or, using a direct lender, private placement loan.

Going forward Bill Fawell, as Municipal Advisor to the Successor Agency, will evaluate if refinancing savings can be maximized using an “AA” insured public offering refunding bond issue vs. using a direct lender loan, known as private placement financing. A decision regarding which refunding approach to use will not be made until all approvals have been received estimated to occur by August 8, 2022.

Bill Fawell of W. J. Fawell Co., Public Finance, Municipal Advisor to the Successor Agency, is currently recommending that the 2008 Bonds be refinanced, using an insured “AA” rated, tax-exempt bond issue. Net present value savings are estimated at about \$405,831 (9.5% of refunded principal), which will benefit all taxing entities that receive property tax increment revenue from the Gridley Redevelopment Project Area (“Project Area”), including the City’s General Fund.

### **Budget/Financial Impact (Assumes Public Offering, “AA” Insured Refunding Bond Issue based on preliminary refinancing nos. dated 4/25/22).**

The estimated principal amount of the 2022 Bonds to be refunded is \$4,260,000. Estimated net present value savings are currently \$405,831 that computes to 9.52% of the refunded principal of the 2008 Bonds. This exceeds by a wide margin the industry standard that a refunding should have a minimum of net present value savings of 3%. Total net estimated cash flow debt service savings are \$1,149,399.

The City General Fund will receive 18.79% of the debt service savings currently computes to \$9,817 per year and \$215,972 thru maturity on 8/1/43.

The proposed refunding of the 2008 Bonds can potentially generate significant net debt service savings in the form of residual property tax revenue no longer needed for debt service because of

the 2022 refunding of the 2008 Bonds that will increase General Fund revenue for the City and for all taxing entities within the Gridley Redevelopment Project Area.

Fees and expenses of financing team members are payable from financing proceeds and contingent on closing, so no financial downside, if for any reason the refunding of the 2008 Bonds was not completed due to insufficient debt service savings. The only exceptions are the fees of the Fiscal Report Consultant (HdL Coren & Cone) and Standard & Poor's rating fee. In the event the proposed refinancing of the 2008 Bonds was not completed, the above fees would still need to be paid. However, Jones Hall, bond counsel, has advised that the Successor Agency could be reimbursed for payment of the above fees from future ROPS submittals to State DOF.

In addition, City staff can also be reimbursed from refunding financing proceeds for 100% of time spent on the 2022 refinancing of the 2008 Bonds.

**Attachments:**

Resolution No. 2022-R-014

Form of Indenture of Trust

Updated Power Point Slide Presentation Dated 4/25/22.

List of Financing Team Participants

**A RESOLUTION OF THE SUCCESSOR AGENCY OF THE CITY OF GRIDLEY  
REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO  
REFUND CERTAIN OUTSTANDING BONDS OF THE FORMER REDEVELOPMENT AGENCY,  
APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST RELATING  
THERETO, REQUESTING APPROVAL BY THE BUTTE COUNTY CONSOLIDATED OVERSIGHT  
BOARD OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN  
DETERMINATIONS BY THE BUTTE COUNTY CONSOLIDATED OVERSIGHT BOARD, AND  
PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO**

**WHEREAS**, the Gridley Redevelopment Agency (the “Former Agency”) was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the “Law”);

**WHEREAS**, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency of the City of Gridley Redevelopment Agency (the “Successor Agency”) has become the successor entity to the Former Agency;

**WHEREAS**, prior to the dissolution of the Former Agency, the Former Agency issued its \$2,980,000 Gridley Redevelopment Agency Gridley Redevelopment Project Tax Allocation Bonds, Series 2008A (Taxable) and \$1,770,000 Gridley Redevelopment Agency Gridley Redevelopment Project Tax Allocation Bonds, Series 2008B (Tax-Exempt) (Bank Qualified) (together, the “Prior Bonds”) for the purpose of providing funds to finance redevelopment projects, which Prior Bonds were sold to investors in a public offering;

**WHEREAS**, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the “Savings Parameters”);

**WHEREAS**, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its Successor Agency of the City of Gridley Redevelopment Agency Tax Allocation Refunding Bonds (the “Refunding Bonds”), the Successor Agency has caused its municipal advisor, W.J. Fawell & Co. Public Finance (the “Municipal Advisor”), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the Prior Bonds (the “Debt Service Savings Analysis”);

**WHEREAS**, the Successor Agency desires at this time to approve the issuance of the Refunding Bonds and to approve the form of and authorize the execution and delivery of an Indenture of Trust, by and between the Successor Agency and U.S. Bank Trust Company, National Association, as trustee, providing for the issuance of the Refunding Bonds (the “Indenture”);

**WHEREAS**, pursuant to Section 34179, the Butte County Consolidated Oversight Board (the “Oversight Board”) has been established;

**WHEREAS**, the Successor Agency is now requesting that the Oversight Board direct the Successor Agency to undertake the refunding proceedings and to approve the issuance of the Refunding Bonds pursuant to this Resolution and the Indenture;

**WHEREAS**, the Successor Agency further requests that the Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds;

**NOW, THEREFORE**, the Successor Agency of The City of Gridley Redevelopment Agency resolves as follows:

1. Determination of Savings. The Successor Agency has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to refund the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Successor Agency, which Debt Service Savings Analysis is hereby approved.

2. Approval of Issuance of Refunding Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Law and the Refunding Law; provided, that issuance of the Refunding Bonds must be in compliance with the Savings Parameters at the time of sale and delivery. The Refunding Bonds may be issued as a single series, or in two or more separate series, each of which may be issued on a taxable or tax-exempt basis, as the Successor Agency shall determine is necessary to comply with Federal tax laws. The Refunding Bonds may be issued via private placement or public offering, as determined by Successor Agency staff, in consultation with the Successor Agency’s Municipal Advisor. The approval of the issuance of the Refunding Bonds by the Successor Agency and the Oversight Board pursuant to this Resolution shall constitute approval of the issuance of each and every separate series of Refunding Bonds and the sale of the Refunding Bonds.

3. Approval of Indenture. The Successor Agency hereby approves the Indenture prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds. Each of the Mayor, the City Administrator and the Finance Director of the City, on behalf of the Successor Agency (each, an “Authorized Officer”), is



hereby authorized and directed to execute and deliver, and the City Clerk of the City, on behalf of the Successor Agency, is hereby authorized and directed to attest to, the Indenture for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Indenture.

4. Oversight Board Approval of the Issuance of the Bonds. The Successor Agency hereby requests the Oversight Board, as authorized by Section 34177.5(f), to direct the Successor Agency to undertake the refunding proceedings and as authorized by Section 34177.5(f) and Section 34180 to approve the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution and the Indenture.

5. Determinations by the Oversight Board. The Successor Agency requests that the Oversight Board make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Refunding Bonds from the proceeds of the Refunding Bonds, including the cost of reimbursing the City for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the Refunding Bonds;

(b) The application of proceeds of the Refunding Bonds by the Successor Agency of the refunding and defeasance of all or a portion of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the Butte County Auditor-Controller or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34183(a)(3) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183 pursuant to the ROPS process. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings of the Refunding Bonds from such property tax revenues

pursuant to Section 34183 without reduction in its Administrative Cost Allowance pursuant to the ROPS process.

6. Filing of Debt Service Savings Analysis and Resolution. The Successor Agency is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j) with the Butte County Chief Administrative Officer, the Butte County Auditor-Controller and the California Department of Finance.

7. Issuance of Refunding Bonds in Whole or in Part. It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Refunding Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided, that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Refunding Bonds that meet the Savings Parameters. In the event the Refunding Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Refunding Bonds without the prior approval of the Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

8. Municipal Bond Insurance and Reserve Fund Insurance Policy. The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Refunding Bonds and a debt service reserve fund insurance policy for the Refunding Bonds from a municipal bond insurance company if it is determined, upon consultation with the Municipal Advisor, that such municipal bond insurance policy and/or debt service reserve fund insurance policy will reduce the true interest costs with respect to the Refunding Bonds.

9. Professional Services; Bond Purchase Contract. In connection with the sale and delivery of the Refunding Bonds, the firm of W. J. Fawell Co., Public Finance is designated as Municipal Advisor, the firm of Jones Hall, A Professional Law Corporation, is designated as bond counsel and disclosure counsel to the Successor Agency, the firm of HdL is designated as fiscal consultant to the Successor Agency, and the firm of Hilltop Securities, Inc. is designated as underwriter to the Successor Agency. The Successor Agency hereby authorizes the execution by an Authorized Officer of an agreement with each of W. J. Fawell & Co., HdL and Jones Hall, in a form to be approved by an Authorized Officer. The Successor Agency and the underwriter will enter into a bond purchase contract at the time of the sale of the Refunding Bonds, the form of which shall be approved by the Successor Agency at a public meeting prior to such sale, without further approval of the Oversight Board or the Department of Finance, so long as the Savings Parameters are met with respect to the Refunding Bonds sold pursuant to which bond purchase contract.

10. Preparation of Official Statement. If a public offering is chosen for the sale of the Refunding Bonds, following approval by the Oversight Board of the issuance by the Successor Agency of the Refunding Bonds and submission of the Oversight Board Resolution to the California Department of Finance, the Successor Agency will, with the assistance of Disclosure Counsel, the Fiscal Consultant and the Municipal Advisor, cause to be prepared a form of Official Statement for the Refunding Bonds describing the Refunding Bonds and containing material information relating to the Successor Agency and the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency at a future public meeting for approval for distribution by Hilltop Securities, Inc. as underwriter, to persons and institutions interested in purchasing the Refunding Bonds.

11. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the Refunding Bonds, including refunding instructions or an escrow agreement to accomplish the refunding of the Prior Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

12. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

**I HEREBY CERTIFY** that the foregoing resolution was duly introduced and passed at a regular City Council meeting of the City of Gridley held on the 2<sup>nd</sup>, May 2022, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ATTEST:

APPROVE:

\_\_\_\_\_  
Cliff Wagner, City Clerk

\_\_\_\_\_  
Bruce Johnson, Mayor



# Gridley Successor Agency to Former Redevelopment Agency

Refunding of the Gridley Redevelopment Project Tax Allocation Bonds

\$2,980,000, Series 2008A (Taxable)  
\$1,770,000, Series 2008B (Tax-Exempt)  
(the “Series 2008 Bonds”)

# Agenda

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Finance Team

Overview

Financing Plan

Estimated Savings

Costs of Issuance

Summary Schedule

Questions

# Finance Team

# Finance Team

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- The Finance Team includes:
  - W. J. Fawell Co., Public Finance – Municipal Advisor
    - Bill Fawell, President
  - Jones Hall – Bond & Disclosure Counsel
    - James A. Wawrzyniak, Jr., Shareholder
    - David Fama, Shareholder
  - HilltopSecurities, Inc. – Bond Underwriter
    - Mike Cavanaugh, Managing Director
  - HdL Coren & Cone – Fiscal Consultant
    - Dave Schey, Principal

# Overview



# Outstanding Series 2008 Series A Taxable Bonds

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Series 2008 A Taxable Bonds (Redevelopment Project Area)	
Dated Date	May 15, 2008
Original Par	\$2,980,000
Outstanding Principal (After 8/1/21 Payment)	\$2,520,000
Average Coupon (As of 8/1/21)	7.50%
Tax Status	Taxable
First Call Date (Optional Redemption Date)	8/1/19 @ 100%

# Outstanding Series 2008 Series B Tax-Exempt Bonds



Series 2008 B Tax-Exempt Bonds (Redevelopment Project Area)	
Dated Date	May 15, 2008
Original Par	\$1,770,000
Outstanding Principal (After 8/1/21 Payment)	\$1,740,000
Average Coupon (As of 8/1/21)	5.00%
Tax Status	Tax-Exempt
First Call Date (Optional Redemption Date)	8/1/19 @ 100%

# Overview of Debt Management Policy

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- Resolution to Adopt Debt Management Policy
  - Debt Management Policy
    - Compliance with CA Senate Bill 1029 (SB 1029) (act to amend Section 8855 of the Government Code) and addresses the following:
      - The purposes for which the debt proceeds may be used
      - The types of debt that may be issued
      - The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable
      - Policy goals related to the issuer's planning goals and objectives
      - The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use
      - Debt Policy satisfies legal requirements for debt issued by the Successor Agency, as well as the City

# Overview of Legal Documents

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- Resolution Authorizing Sale of Refunding Bonds and Approving Related Documents (Series 2008 A (Taxable) & B (Tax-Exempt) Tax Allocation Bonds, the “Series 2022 Bonds”)
  - Authorize the refunding of the Series 2022 Bonds for savings
  - Form of Indenture of Trust
    - Agreement between the Gridley Successor Agency (the “Successor Agency”) and U.S. Bank Corp. Trust, N.A. (“Trustee”) for the benefit of the owners of the Series 2022 Bonds
  - Authorize staff to enter into Professional Services contracts and provide for other matters properly relating thereto

# Financing Plan

# Financing Plan

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- Gridley Redevelopment Project Series 2022 Bonds
  - \$2,610,000 Series A (Taxable) Bonds
  - \$1,755,000 Series B (Tax-Exempt) Bonds
  - Refund Series 2008 A & B Bonds
    - Lower annual debt service payment
    - Provide additional residual distributions to taxing entities of property tax revenues no longer needed for annual debt service on the Series 2008 A & B Bonds as result of the refunding

# Financing Plan

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## ● Public Offering Steps

- Engage Municipal Advisor, Bond Counsel, Disclosure Counsel, Fiscal Consultant & Underwriter
- Obtain approval from Butte County Consolidated Oversight Board
- Determine Public Offering or Private Placement structure
- Obtain approval from Department of Finance
- Obtain credit rating
- Obtain credit enhancement ('AA' Rated Municipal Bond Insurance)
- Preliminary & Final Official Statement (Offering Document/Prospectus)
- Negotiated public sale
- Execute Bond Purchase Agreement

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# Estimated Savings and Total Debt Service



# Refunding of Series 2008 A & B Bonds

## Total Estimated Net Debt Service & Savings\*



Date	Prior Debt Service	Refunding Debt Service	Savings
06/30/2023	357,875.00	300,257.45	57,617.55
06/30/2024	356,437.50	296,770.50	59,667.00
06/30/2025	359,500.00	302,818.50	56,681.50
06/30/2026	357,062.50	298,396.50	58,666.00
06/30/2027	354,187.50	288,797.75	65,389.75
06/30/2028	355,750.00	293,822.00	61,928.00
06/30/2029	356,625.00	293,265.00	63,360.00
06/30/2030	356,750.00	292,260.00	64,490.00
06/30/2031	356,125.00	290,837.50	65,287.50
06/30/2032	354,750.00	289,020.00	65,730.00
06/30/2033	352,625.00	286,600.00	66,025.00
06/30/2034	359,437.50	293,420.00	66,017.50
06/30/2035	355,187.50	289,780.00	65,407.50
06/30/2036	355,000.00	290,780.00	64,220.00
06/30/2037	353,687.50	291,300.00	62,387.50
06/30/2038	351,250.00	286,460.00	64,790.00
06/30/2039	352,500.00	291,140.00	61,360.00
06/30/2040	350,750.00	335,200.00	15,550.00
06/30/2041	351,375.00	333,800.00	17,575.00
06/30/2042	351,250.00	336,900.00	14,350.00
06/30/2043	350,375.00	334,500.00	15,875.00
06/30/2044	353,625.00	336,600.00	17,025.00
	7,802,125.00	6,652,725.20	1,149,399.80

\*As of 04/21/22. Assumes 'AA' rated bond insurance & surety bond in lieu of DSRF.  
Preliminary, Subject to change.

# Projected Savings\*

## Refunding of 2008 A and B Bonds



	Series 2022 Bonds
True Interest Cost	4.329%
Budgetary Debt Service Savings	\$1,149,399
Present Value	\$737,515
Less: Prior funds on hand	(\$335,000)
Plus: Rounding Amount	\$3,316
Net Present Value Benefit	\$405,831
Net Present Value/Refunded Principal	9.526%

\*As of 04/21/22. Assumes 'AA' rated bond insurance & surety bond in lieu of DSRF. Preliminary, Subject to change.

# Offering Comparison\*

## Refunding of 2008 A and B Bonds



Refunding Summary	Public Offering	Private Placement
<b>Results Summary</b>		
Total Savings	\$1,149,400	\$1,305,046
Average Annual Savings	\$52,245	\$59,320
Present Value Savings (\$)	\$405,831	\$534,665
Present Value Savings (%)	9.53%	12.55%
<b>Refunding Issue Summary (Series 2022)</b>		
Delivery Date	07/14/2022	05/17/2022
First Coupon	08/01/2022	08/01/2022
Coupon Range	2.50% - 4.80%	4.20% - 4.40%
Principal Amount	\$4,365,000	\$4,205,000
Maturity Date	8/1/2043	8/1/2043
All-In TIC	5.10%	4.82%
Debt Service Reserve Fund Contribution	\$335,000	\$335,000
Cost of Issuance	\$210,000	\$195,000
Underwriters' Discount	\$12.50 per bond	N/A
Average Annual Debt Service	\$316,086	\$306,386
Total Debt Service	\$6,652,725	\$6,497,079
<b>Refunded Issue Summary (Series 2008)</b>		
Principal Amount Outstanding	\$4,260,000	\$4,260,000
Principal Amount Refunded	\$4,260,000	\$4,260,000
Maturities Refunded	2022-2043	2022-2043
Average Coupon Refunded	6.09%	6.09%
Call Date/Price	07/14/2022 @ Par	5/17/2022 @ Par

\*As of 04/21/22. Assumes 'AA' rated bond insurance & surety bond in lieu of DSRF. Preliminary, Subject to change.

# Projected Increase in Residual Property Tax Revenues by Taxing Entity\*



City of Gridley Successor Agency 2019/20 Incremental Weighted Average Rates - Combined			
Taxing Entity	Allocation	Est Annual Savings	Total Savings
City General Fund	18.79%	9,817	215,972
County General Fund	17.18%	8,976	197,467
Special Districts	7.47%	3,903	85,860
K-12 Schools	45.55%	23,798	523,551
Community College	6.77%	3,537	77,814
Co Office of Ed	4.24%	2,215	48,735
<b>Total</b>	<b>100%</b>	<b>52,245</b>	<b>1,149,399</b>

Data Source: 2019/20 Combined Tax Rolls (HdL Coren & Cone)

# Costs of Issuance

# Costs of Issuance



<u>Description</u>	<u>Firm</u>	<u>Estimated Fees</u>
Bond Counsel	Jones Hall	\$57,000
Disclosure Counsel	Jones Hall	\$33,000
Municipal Advisor	W.J. Farwell Co.	\$57,000
S&P Rating Fee Series 2008 A&B	S&P	\$14,000
Staff Time Reimbursement	City / SA	\$10,000
CDIAC Fees	CDIAC Fees	\$1,250
Trustee / Counsel Fees	TBD	\$6,000
Printing	Royce	\$2,500
Fiscal Consultant	HdL	\$22,500
Subtotal		\$203,250
Contingency		\$6,750
<b>TOTAL ESTIMATE</b>		<b><u>\$210,000</u></b>

# Summary Schedule

# Summary Schedule



May 2, 2022	<ul style="list-style-type: none"> <li>• Successor Agency Meeting to adopt Resolution approving authorizing refunding of the 2008 A &amp; B Bonds and retaining financing team members.</li> </ul>
By May 31, 2022	<ul style="list-style-type: none"> <li>• Butte County Consolidated Oversight Board Meeting to approve and direct Successor Agency to proceed with refunding</li> </ul>
June 3, 2022	<ul style="list-style-type: none"> <li>• Submit Oversight Board Resolution and Documents to Department of Finance</li> <li>• Start of 65-day Department of Finance Review Period</li> </ul>
July 18, 2022	<ul style="list-style-type: none"> <li>• Successor Agency Meeting to adopt Resolution approving Preliminary Official Statement (Prospectus) and Bond Purchase Agreement for the Series 2022 Bonds</li> </ul>
August 8, 2022	<ul style="list-style-type: none"> <li>• End of Department of Finance Review Period</li> </ul>
August 23, 2022	<ul style="list-style-type: none"> <li>• Pricing of the Refunding Bonds and Signing of Bond Purchase Contract</li> </ul>
September 8, 2022	<ul style="list-style-type: none"> <li>• Closing of the Series 2022 Bonds</li> </ul>

Note: Gridley City Council meets 1<sup>st</sup> and 3<sup>rd</sup> Monday of each month.



# Questions?

# Disclaimer

# HilltopSecurities, Inc. Disclaimer



(a) Hilltop Securities is not recommending an action to you as the municipal entity or obligated person; (b) Hilltop Securities is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to you with respect to the information and material contained in this communication; (c) Hilltop Securities is acting for its own interests; (d) you should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material and (e) Hilltop Securities seeks to serve as an underwriter on a future transaction and not as a financial advisor or municipal advisor. The information provided is for discussion purposes only in anticipation of being engaged to serve as underwriter. The primary role of an underwriter is to purchase securities with a view to distribution in an arm's-length commercial transaction with the issuer. The underwriter has financial and other interests that differ from those of the Issuer.

Interest rates used to provide the analysis herein are hypothetical and take into consideration conditions in today's market and other factual information such as the issuer's credit rating, geographic location and market sector. Therefore, these rates should not be viewed as rates that Hilltop Securities expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publicly available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Hilltop Securities expects to achieve for you should we be selected to act as your underwriter or placement agent.

# W. J. Fawell Co.

*" Public Finance "*

April 28, 2022

Cliff Wagner  
City Administrator  
City of Gridley  
685 Kentucky Street  
Gridley, CA 95948

Re: Agreement for Municipal Financial Advisory Services to the Successor Agency of the Former  
Redevelopment Agency of the City of Gridley for Proposed Refunding of 2008A(Taxable)  
and 2008B (Tax-Exempt), Tax Allocation Bonds

Dear Mr. Wagner,

I am pleased to submit this Municipal Financial Advisory Agreement ("Agreement"), employing W. J. Fawell Co., Public Finance to provide municipal financial advisory services to the Successor Agency of the former Redevelopment Agency of the City of Gridley ("City") in conjunction with the proposed refunding of its 2008A (Taxable) and 2008B (Tax-Exempt) Tax Allocation Bonds ("Bonds").

## **Background**

Proceeds of the Bonds were used repay the City of Gridley ("City") for funds loaned the former Redevelopment Agency to finance various redevelopment activities set forth in the Redevelopment Plan, fund a debt service reserve fund and a portion of the interest costs on the Bonds.

The 2008A (Taxable) Bonds were issued in the principal amount of \$2,980,000. As of 8/1/21, \$2,520,000 was outstanding and mature on 8/1/38 with an interest rate of 7.50%.

The 2008B (Tax-Exempt) Bonds were issued in the principal amount of \$1,770,000. As of 8/1/21, \$1,740,000 was outstanding and mature on 8/1/43 with an interest rate of 5.00%.

Both the 2008A (Taxable) and 2008B (Tax-Exempt) tax allocation bonds ("Bonds") can be prepaid on any date without a prepayment premium.

Refunding the Bonds at lower interest rates, presents an excellent refunding opportunity for the Successor Agency and taxing entities within the Gridley Redevelopment Project Area ("Project Area"). It is estimated that the principal amount of the Bonds to be refunded is \$4,260,000.

Refunding debt service savings will be realized by the City and all taxing entities in the Gridley Redevelopment Project Area in the form of residual property tax revenues no longer needed for debt service on the Bonds.

Mr. Cliff Wagner  
City Administrator  
City of Gridley  
April 28, 2022  
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The Bonds were issued as "AA" insured municipal bonds with an underlying rating of "BBB+." The average interest rate on the Bonds is 6.094%. It is estimated that the Bonds, with rates as of 4/25/22, can be refunded at an "all inclusive" rate of 5.099%, that assumes refunding the Bonds with a "AA" rated municipal bond insurance.

As of rates on 4/25/22, estimated net present value savings of \$405,831 computes to 9.526%% of the refunded principal of the Bonds. This exceeds the industry standard that a refunding should have a minimum of 3% net present value savings of the principal amount of bonds refunded.

As Municipal Financial Advisor to the Successor Agency, I will evaluate if refunding the Bonds using a direct lender loan (private placement) will provide greater refinancing benefits vs. selling "AA" insured refunding bonds. I will make a recommendation to the Successor Agency going forward as to the best approach.

In 2008, the former Gridley Redevelopment Agency, adopted a redevelopment plan/project covering 789 acres, a portion of which is located outside the corporate limits of the City and is in the unincorporated territory of Butte County.

Prior to closing the proposed refunding of the Bonds, it is necessary to obtain approvals from the Successor Agency, Butte County Consolidated Oversight Board and State of CA, Department of Finance, estimated to take 4-5+ months. Once all approvals are obtained, the financing team will update its preliminary refunding numbers to determine if there are sufficient debt service savings to warrant proceeding to closing, estimated to occur in October 2022.

If debt service savings are insufficient due to higher interest rates going forward, then the proposed refunding of the Bonds will be delayed, until such time that rates decline to the point that sufficient savings are available to justify proceeding to closing.

As municipal financial advisor, I will assist the Successor Agency in refunding its Bonds, using a "AA" insured tax-exempt refunding bond issue or a tax-exempt, private placement loan, if a better overall refunding approach.

As municipal financial advisor, Bill Fawell will oversee the proposed refunding of the Bonds from start through closing, working directly with the City / Successor Agency staff and consultants, bond underwriter, bond and disclosure counsel, Butte County Consolidated Oversight Board and the California, State Dept. of Finance ("DOF") to complete the proposed refunding of the Bonds.

Bill Fawell, President of W. J. Fawell Co., Public Finance, will be solely responsible for providing municipal financial advisory services to the Successor Agency. Our municipal financial advisory services are divided into two (2) phases.

Phase I would include financing planning, review of financing analyzes, development of a refunding plan, attendance at public meetings and work sessions as required.

Phase II would involve furnishing municipal financial advisory services to be performed in conjunction with overseeing and coordinating the work of the financing team from start through closing to achieve a successful closing.

We agree to provide the following municipal financial advisory services in connection with the planned refunding of the Bonds:

### **PHASE I**

#### **I. MUNICIPAL FINANCIAL ADVISORY SERVICES**

In Phase I, we would provide the following municipal financial advisory services:

1.) Confer with City staff, bond counsel, fiscal consultant, bond underwriter and members of the financing team to assist in the formulation of a coordinated financing plan. Analyze and provide advice regarding the financial feasibility of the proposed refunding of the Bonds after having reviewed all preliminary information.

Information to be reviewed would include but not be limited to preliminary refunding calculations, Official Statements, loan agreements, fiscal consultant report, audited financial statements, Required Obligation Payment Schedules (ROPS), current and projected tax increment revenues from the Project Area and reports provided by the Butte County Property Tax Division.

2.) Review preliminary calculations for refunding the Bonds, using a rated or an insured tax-exempt bond issue with a surety in lieu of a debt service reserve fund to estimate to estimate refunding savings.

3.) Review preliminary calculations for refunding the Bonds, using direct lender loans (private placement) to determine if this approach could have greater refunding benefits vs. refunding the Bonds using "AA" rated municipal bond insurance.

4.) Review analysis and reports from fiscal consultant to confirm enough tax increment revenues are available for payment of debt service on the proposed refunding and will provide adequate debt service coverage.

5.) Prepare and distribute financing schedule, based upon input from financing team members.

6.) Prepare List of Participants and distribute to financing team members.

7.) Prepare and refine preliminary costs of issuance estimates for running refunding calculations.

8.) Assist with obtaining required approvals from the City's Successor Agency, Butte County Consolidated Oversight Board and State of CA, Dept. of Finance (DOF) to move forward with the proposed refunding of the Bonds. These approvals must be obtained before the proposed refunding can be completed. DOF has up to 65 days to respond to a proposed refunding application by a Successor Agency.

- 9.) If deemed desirable, assist with obtaining full subordination of statutory tax sharing payments working with City staff, fiscal consultant, and bond counsel to further enhance debt service coverage on the proposed refunding. Review with staff, whether subordination would produce any significant benefit in marketing the refunding of the Bonds and if it would be beneficial to securing a better underlying rating and if needed to secure "AA" rated municipal bond insurance.
- 10.) Confirm with fiscal consultant and bond underwriter that existing and future tax increment revenues are adequate to cover annual debt service and provide required debt service coverage needed by rating agencies and municipal bond insurance companies with or without subordination of statutory tax sharing payments by taxing entities in the Project Area.
- 11.) Work closely with financing team members to provide structural recommendations as they relate to the technical features of the financing, including but not limited to: principal amount needed to refund the Bonds, optional prepayment features, maturity schedules, security for the refunding, sinking funds, if any, reserves, debt service coverage, debt service reserve fund, if any, credit enhancement options, if available, which will make the proposed refunding most acceptable to prospective bond investors and therefore, marketable at the lowest possible borrowing cost.
- 12.) Attend meetings as requested, plan and participate on conference calls and be available by phone and e-mail to communicate on a timely basis with financing team members.
- 13.) Provide consultation and advice to financing team members upon request.
- 14.) Prepare agendas for conference calls to ensure that key financing issues are identified and resolved to ensure a smooth process and closing.
- 15.) Review and comment on draft refunding documents, including the draft fiscal consultant report.
- 16.) Prepare staff reports to assist staff in obtaining necessary approvals from the City Council and its Successor Agency, Butte County Consolidated Oversight Board and State Dept. of Finance (DOF).
- 17.) Assist with preparing presentations to the City Council, Successor Agency, Butte County Consolidated Oversight Board and make presentations at their meetings as requested by staff.
- 18.) Review and comment on refunding calculations.

## **PHASE II**

Phase II services would commence upon action of the Successor Agency approving the preliminary official statement or direct lender loan (private placement) financing documents to refund the Bonds.

- 1.) Oversee the entire refunding effort and coordinate the work of the financing team for an orderly closing.
- 2.) Work with Successor Agency / City staff, bond counsel and the trustee to ensure the timely sending of notice of prepayment to lender on the Bonds to prepay and refund the Bonds on the planned closing day.

- 3.) Review and comment on all refunding documents including the preliminary and final official statement.
- 4.) Work with bond underwriter in obtaining quotes from municipal bond insurance companies to determine if purchasing municipal bond insurance would produce greater net present value savings vs. selling refunding bonds without insurance and an underlying investment grade rating only and make a recommendation on the best approach for the Successor Agency.
- 5.) After all approvals are obtained from other agencies, work with bond underwriter to determine if refunding the Bonds with a direct lender loan would produce more refunding benefit refunding the Bonds using "AA" rated municipal bond insurance.
- 6.) If it is determined that refunding the Bonds with a direct lender loan would maximize refunding benefits, review lender proposals obtained by the bond underwriter to determine which proposal had the best rate and terms and make a recommendation for award to the Successor Agency.
- 7.) Review and comment on rating agency presentation prepared by bond underwriter. Participate on rating agency conference calls to insure the highest possible underlying bond rating was obtained. Coordinate financing team responses to rating agency questions and comments.
- 8.) Represent Successor Agency in negotiations with the bond underwriter, regarding discount and proposed rates of interest and yield for each maturity to achieve the lowest possible borrowing cost, pursuant to market conditions on the date of sale. Review comparable bond sale data to ensure that the refunding bond issue is priced competitively, given how recent similar bond issues were priced prior to and on the day of sale.
- 9.) Review final calculations and computations for refunding the Bonds prepared by the bond underwriter in compliance with all applicable federal and state regulations for insertion in the final refunding documents, including IRS Form 8038-G.
- 10.) Finalize the costs of issuance for insertion in closing documents prepared by bond counsel.
- 11.) Review and comment on drafts of all refunding and closing documents, including a verification report, if required by bond counsel to verify that there will be enough financing proceeds escrowed to pay off the Bonds in full on closing day.
- 12.) Coordinate efforts of financing team members to ensure a smooth closing.
- 13.) Arrange and participate on conference calls as needed.
- 14.) Review invoices from financing team participants to insure amounts correct and recommend approval, along with any changes for Successor Agency / City staff approval.
- 15.) Assist staff in compiling time spent on the refunding to ensure that the Successor Agency / City are reimbursed from financing proceeds for their work.



Mr. Cliff Wagner  
City Administrator  
City of Gridley  
April 28, 2022  
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16.) Review Closing Memorandum that details the sequence of events that will need to occur on closing week, listing the final financing amounts for refunding the Bonds. Obtain and confirm wire instructions.

17.) Confirm with financing team on pre-closing day that all necessary documents and legal opinions have been received by bond counsel in preparation for closing. Ensure that closing wires are properly set up for sending out early AM on day of closing. If needed, arrange closing week conference call with financing team to ensure all is in good order for closing on planned closing day.

18.) On closing day, monitor that closing wires have been sent on time and received by the refunding bonds trustee in a timely manner to ensure a smooth and orderly closing. Confirm with trustee that the Bonds being refunded have been paid off with refunding proceeds or escrowed for future payoff on the designated Bonds payoff date.

19.) Be available for consultation and advice through refunding closing and thereafter, upon request to financing team members.

## **II. MUNICIPAL FINANCIAL ADVISORY FEE**

For municipal financial advisory services to be rendered in conjunction with the refunding of the Bonds that have an estimated par value of \$4,365,000, per this Agreement, the Successor Agency agrees to pay municipal financial advisor fee of \$57,000 that will be paid at closing from the costs of issuance. Payment of this municipal financial advisory fee is contingent upon the closing of the proposed refunding of the Bonds payable from financing proceeds.

## **III. EXPENSES**

The City's Successor Agency agrees to reimburse the municipal financial advisor for all out-of-pocket expenses for air travel, overnight lodging, meals, postage, supplies, photocopies, mileage and the like incurred by the municipal financial advisor in the performance of its duties and obligations pursuant to this Agreement. Expenses to be billed at cost and will not exceed \$2,500 and payable contingent on closing from financing proceeds.

## **IV. TERM**

1.) The term of this Agreement shall be three (3) years from the date of execution by the Successor Agency / City but may be canceled without cause by either party by giving the other party thirty (30) days written notice of such cancellation.

2.) It is understood that the municipal financial advisor is employed in an expert financial advisory capacity.

Mr. Cliff Wagner  
City Administrator  
City of Gridley  
April 28, 2022  
Pg. 7

I appreciate the opportunity to serve the Successor Agency as its municipal financial advisor on the refunding of its Bonds as described herein.

If this arrangement is satisfactory, please execute and return one signed copy of this Agreement.

**ACKNOWLEDGED AND ACCEPTED BY:**

Sincerely,

**W. J. FAWELL CO.**

*Public Finance*



William J. Fawell  
President

**SUCCESSOR AGENCY OF THE FORMER  
REDEVELOPMENT AGENCY OF THE CITY OF  
GRIDLEY, CA**

Signed: \_\_\_\_\_

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

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

C: Elisa Arteaga, Finance Director

April 27, 2022

Mr. Cliff Wagner  
City Administrator  
City of Gridley  
685 Kentucky Street  
Gridley, CA 95948

Re: Proposal for Fiscal Consulting Services  
Gridley Successor Agency 2022 Tax Allocation Refunding Bonds

Dear Mr. Wagner:

HdL Coren & Cone is pleased to present this proposal to provide services for the preparation of a fiscal consultant's report in connection with the anticipated issuance of the 2022 Tax Allocation Refunding Bonds by the Gridley Successor Agency (the "Agency"). We understand that the proposed financing will be secured by pledges of revenue from the Agency's Gridley Redevelopment Project (the Project Area).

## **Description of the Firm's Business**

HdL Coren & Cone (HdLCC) was established in 1992 to provide property tax data base management, analytical and auditing services to cities, redevelopment agencies, special districts and counties. HdLCC, along with Hinderliter de Llamas & Associates and HdL Software comprise the HdL Companies. The HdL Companies are located in Brea, California.

Our services are based upon the firm's large investment in computers and specially designed software for the management of large property tax databases. We currently have on line the complete secured and unsecured tax rolls for Butte County since 1995. Our software capability gives us the ability to audit an entire county for the benefit of our clients. We have corrected the allocation of \$3.2 billion in assessed values resulting in the recovery of more than \$29 million for our clients.

HdLCC currently is providing on-going property tax analytical and auditing services for over 250 cities, successor agencies and special districts. For these clients we serve as adjunct staff on all property tax matters, including auditing county allocation procedures, researching property tax related issues, providing revenue estimates to assist in the budget process, and preparing updated tables for continuing disclosure.

In addition to our property tax expertise HdLCC has extensive experience working with redevelopment agencies and redevelopment finance. Prior to the dissolution of redevelopment agencies by the State of California, we assisted numerous redevelopment agencies with statements



of indebtedness, annual financial reports low-and-moderate income housing calculations, including deficit reduction plans and excess surplus calculations. HdLCC has participated in the issuance of tax increment supported debt for more than 200 bond issues involving more than \$5.2 billion of total bonds. Since the dissolution of redevelopment agencies by the State, we have participated in the refinancing of existing bonds for more than 50 separate successor agencies.

HdLCC has been at the forefront of the analysis and implementation of AB x1 26, AB x1 27, AB 1484 and SB 107. We have worked with our client agencies, county auditor controllers and other consultants to determine how these new laws would affect redevelopment in California and to assist former redevelopment agencies to adapt to and work within the new laws.

### **Approach to Preparing Fiscal Consultant Reports for Bond Issues**

David Schey will be the principal responsible for services to the Successor Agency. All of the HdLCC staff will be available to assist as needed with services to the Successor Agency. Mr. Schey's principal associate for services to the Successor Agency will be Cheryl Murase. All HdLCC staff is located in the Brea Office and may be reached at (714) 879-5000.

### **Scope of Services**

The services under this proposal include the following:

1. A historical review of the assessed values of the former Project Area;
2. An investigation and verification, if required, of any anomalies or discrepancies revealed by the historical review of the Project Area assessed values;
3. A ten-year projection of tax increment revenues for the former Project Area based upon 2021-22 assessed values, property tax growth trends and transfers of ownership and, if necessary, will update the projections as necessary to reflect the 2022-23 tax roll values when published;
4. A listing of the top ten taxpayers in the Project Area and a determination of their tax payment status (i.e. delinquencies);
5. A review of the tax allocation and disbursement procedures of Butte County in the aftermath of ABx 1 26 and AB 1484;
6. A review of outstanding appeals of property taxes for the Project Area;
7. A review of the recently adopted legislation and its impact on the pledge of the tax increment revenues of the Project Area;
8. Preparation of the Fiscal Consultant's Report describing our assumptions and presenting our projections of the Project Area revenues as well as an aggregation of these revenues for inclusion with the offering documents of the proposed bond



issuance;

9. Review of the bond issuance offering documents as they relate to the Project Area revenues and issues discussed in the Fiscal Consultant's Report;
10. Additional Services are services not described above which are authorized in writing by the Successor Agency. Additional Services may include, but are not limited to, additional meetings and presentations to rating agencies and insurance companies.

## **Fees**

HdLCC is prepared to provide the services outlined above for a fee of \$22,500 plus actual incurred expenses, if any. Actual incurred expenses include such items as express deliveries, travel to rating agency and insurance presentation and/or overnight accommodations, and other out-of-pocket expenses, which may be incurred. Additional Services described in Item 10 above will be provided at the following hourly rates plus 1.15 times actual incurred expenses.

Partner	\$225.00 per hour
Principal	\$195.00 per hour
Associate	\$150.00 per hour
Senior Analyst	\$100.00 per hour
Analyst	\$ 65.00 per hour

All fees will be billed and payable the sooner of the close of the bond sale, one year from authorization to proceed or upon the Successor Agency's determination not to proceed with a bond issue. In the event that the Successor Agency determines not to proceed with the issuance of the bonds, the fee, less \$5,000, will be prorated based upon the percentage of completion of the scope of work at the time of the Successor Agency's determination. If the scope of work has been completed prior to the Successor Agency's determination not to proceed with the issuance of the bonds the fee, less \$5,000, will be due and payable.

If the Agency determines to issue the bonds via a private placement and no Fiscal Consultant's Report is required, the fee for services will be \$15,500 plus actual incurred expenses, if any.

## **Schedule**

We are prepared to proceed with the Scope of Work based on your verbal authorization and in a time-frame as required in order to accommodate the Successor Agency's schedule. The completion of Additional Services, if any, will be scheduled at the time of authorization.



Mr. Cliff Wagner  
Successor Agency to the Redevelopment Agency of the City of Gridley  
April 27, 2022, Page 4

An authorized signature below will be considered our authorization to proceed. Please call David Schey or Cheryl Murase if you have any questions.

**HdL Coren & Cone**

*David Schey*  
David Schey  
Principal

**Authorized:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Bond Services/Proposal/Gridley 2022 Refunding/Gridley – 2022 Refunding Bonds – 4-27-22



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120 S. State College Blvd.  
Brea, CA 92821

## **AGREEMENT FOR LEGAL SERVICES**

**BY AND BETWEEN  
SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY  
AND JONES HALL, A PROFESSIONAL LAW CORPORATION  
FOR BOND COUNSEL AND DISCLOSURE COUNSEL SERVICES  
IN CONNECTION WITH 2022 TAX ALLOCATION REFUNDING BONDS**

This AGREEMENT FOR LEGAL SERVICES, dated as of May 2, 2022, is between the SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY (the "Successor Agency"), and JONES HALL, A PROFESSIONAL LAW CORPORATION, San Francisco, California ("Attorneys");

*WITNESSETH:*

**WHEREAS**, the Successor Agency is proceeding to authorize the issuance of its 2022 Tax Allocation Refunding Bonds, in one or more series, which may be taxable or tax-exempt (the "Bonds") for the purpose of refinancing certain outstanding tax increment bonds of the Successor Agency; and

**WHEREAS**, in connection with the drafting of the documents and resolutions required to accomplish the authorization and issuance of the Bonds, the Successor Agency requires the advice and assistance of bond counsel and disclosure counsel; and

**WHEREAS**, Attorneys are qualified by training and experience to perform the services of bond counsel and disclosure counsel and are willing to provide such services under the terms set forth herein;

**NOW, THEREFORE, THE PARTIES HERETO MUTUALLY AGREE AS FOLLOWS:**

SECTION 1. *Identification of Client.* Attorneys shall represent the Successor Agency as Bond Counsel and Disclosure Counsel in connection with the proceedings for the authorization, issuance and sale of the Bonds. Attorneys will not represent, and will owe no duties to, any other party, including but not limited to financial advisor, trustee, bond insurer and underwriter of the Bonds.

Attorneys assume that all other parties involved in the financing will retain such counsel, as they deem necessary and appropriate to represent their interests in this transaction. Attorneys further assume that all other parties understand that in this transaction Attorneys represent only the Successor Agency, Attorneys are not counsel to any other party, and Attorneys are not acting as an intermediary among the parties. Attorneys' services as bond counsel and disclosure counsel are limited to those contracted for in this Agreement; the Successor Agency's execution of this Agreement will constitute an acknowledgment of those limitations. Attorneys' representation of the Successor Agency will not affect, however, our responsibility to render an objective final legal opinion.

SECTION 2. *Duties of Attorneys as Bond Counsel.* Attorneys shall do, carry out and perform all of the following Bond Counsel services as are necessary for the issuance and sale of the Bonds:

- Preparation of all legal proceedings for the authorization, issuance and delivery of Bonds by the Successor Agency; including preparation of Successor Agency and Oversight Board resolutions authorizing the issuance of such Bonds; drafting an Indenture of Trust for the Bonds, including special covenants and clauses related thereto; preparation of all documents required for Bond delivery and supervising such delivery; preparation of all other proceedings incidental to or in connection with the issuance, sale and delivery of the Bonds.
- Work with the Successor Agency to respond to any questions of concerns of the Department of Finance of the State of California.
- Upon completion of proceedings to the satisfaction of Attorneys, providing a legal opinion, as traditionally issued by Bond Counsel and satisfactory in form and content to the Successor Agency Attorney and other parties to the transaction, approving in all regards the legality of all proceedings for the authorization, issuance and delivery of Bonds, which opinion shall be addressed to the Successor Agency and any other party so requiring and shall inure to the benefit of the purchasers of the Bonds.
- Such other and further services as are normally performed by Bond Counsel in connection with the issuance of bonds or obligations of a similar character to the Bonds.
- Attorneys will not be responsible for the preparation or content of the official statement prepared by the underwriter or other legal counsel, other than to examine said official statement as concerns description of Bonds and matters within Attorneys' knowledge.

SECTION 3. *Duties of Attorneys as Disclosure Counsel.* In addition to their duties as Bond Counsel to the Successor Agency, Attorneys shall do, carry out and perform all of the following services as Disclosure Counsel to the Successor Agency in connection with the issuance of the Bonds:

- Participating in the preparation of the Official Statement by consulting with representatives of the Successor Agency, the underwriter and others, gathering information for disclosure in the Official Statement, and having primary responsibility for drafting the Official Statement.
- Performing due diligence sufficient to render the opinion set forth below.
- Rendering an opinion to the Successor Agency and the underwriter of the Bonds stating that based upon Attorney's participation in the preparation of the Official Statement, nothing has come to their



attention to lead them to believe that the Official Statement (except for any financial statements and the financial and statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion included therein, and The Depository Trust Company and its book-entry system and information in the Appendices, as to which Attorneys are not required to express a view) as of the date of the Official Statement or the date of closing of the Bonds contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

- Such additional legal services as are customarily rendered by disclosure counsel on comparable financing transactions.

#### SECTION 4. *Compensation.*

(a) Bond Counsel Services. For the services of Attorneys listed in Section 2 in connection with Bond Counsel services rendered for the issuance of the Bonds, the Successor Agency will pay Attorneys a flat fee equal to \$57,000.

(b) Disclosure Counsel Services. For the services of Attorneys listed in Section 3 as Disclosure Counsel in connection with the issuance of the Bonds, the Successor Agency will pay Attorneys a flat fee equal to \$33,000.

(c) Expense Recovery. In addition to the foregoing fees, Attorneys will be reimbursed for direct out-of-pocket expenses for travel, messenger and delivery services, court filing fees, costs of legal publication, photocopying and preparation of official transcripts of the proceedings, in an amount not to exceed \$3,000.

Payment of Attorneys' fees and expenses will be due and payable upon the delivery of an invoice to the Successor Agency following issuance of the Bonds and contingent on the issuance of the Bonds. The fee is not set by law but is negotiable between Attorneys and the Successor Agency.

SECTION 5. *Responsibilities of the Successor Agency.* The Successor Agency shall cooperate with Attorneys and shall furnish Attorneys with certified copies of all proceedings taken by the Successor Agency, or other deemed necessary by Attorneys to render an opinion upon the validity of such proceedings. All costs and expenses incurred incidental to the actual issuance and delivery of Bonds, including the cost and expense of preparing certified copies of proceedings required by Attorneys in connection with the issuance of the Bonds, the cost of preparing the Bonds for execution and delivery, all printing costs and publication costs, and any other expenses incurred in connection with the issuance of Bonds, shall be paid by the Successor Agency.

SECTION 6. *Compensation in Event of Certain Events of Termination.* In the event of termination of this Agreement prior to issuance of the Bonds, all finished and unfinished documents, exhibits, project data, reports, and evidence shall, at the option of Successor Agency, become its property and shall be delivered to it by Attorneys. If this Agreement is terminated by the Successor Agency and the Bonds are subsequently issued, Attorneys shall be paid a fee for their services rendered through the date of such termination, in a

pro rata amount of the total fee which would have been paid hereunder had such termination not taken place.

SECTION 7. *Independent Contractor.* Attorneys will act as an independent contractor in performing the services required under this Agreement, and under no circumstances shall Attorneys be considered an agent, partner, or employee of the Successor Agency.

SECTION 8. *Liability Insurance; Costs of Regulatory Agency Investigations.* Attorneys must maintain at their own expense at all times during the term of this Agreement policies of insurance, acceptable to the Successor Agency, covering its workers' compensation injuries, public liability and professional liability. In the event any investigation, inquiry or other action is instituted by the Securities and Exchange Commission, the Internal Revenue Service or other governmental regulatory agency into the Bonds under federal securities law or federal tax law, the Successor Agency and Attorneys shall meet and confer to discuss the extent to which it is appropriate for Attorneys to represent the common interests of the Successor Agency and Attorneys in responding to such investigation, inquiry or other action, and the extent to which the cost thereof shall be borne by Attorneys.

SECTION 9. *Assignment.* Attorneys may not assign their rights or delegate their obligations under this Agreement, in whole or in part, except with the prior written consent of the Successor Agency.

SECTION 10. *Conflicts; Prospective Consent.* Attorneys represent many political subdivisions, investment banking firms and financial advisory firms. It is possible that during the time that Attorneys are representing the Successor Agency, Attorneys will also be representing, on other transactions, the investment banking firm working with the Successor Agency in connection with the Bonds. Attorneys do not believe such representation, if it occurs, will adversely affect Attorneys' ability to represent the Successor Agency as provided in this Agreement, either because such matters will be sufficiently different from the issuance of the Bonds so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other Successor Agency will be relevant to any aspect of the issuance of the Bonds. Execution of this Agreement will signify the Successor Agency's consent to Attorneys' representation of others consistent with the circumstances described in this paragraph.

SECTION 11. *Termination of Agreement.*

(a) Termination by Successor Agency. This Agreement may be terminated at any time by the Successor Agency with or without cause upon written notice to Attorneys.

(b) Termination by Attorneys. This Agreement may be terminated by Attorneys upon 15 days' written notice to Successor Agency if Successor Agency fails to follow written legal advice given by Attorneys.

(c) Termination Upon Issuance of Bonds. This Agreement shall terminate upon the issuance of the Bonds.


(d) Consequences of Termination. In the event of termination, all finished and unfinished documents shall at the option of the Successor Agency become its property and shall be delivered to the Successor Agency by Attorneys.

IN WITNESS WHEREOF, the Successor Agency and Attorneys have executed this Agreement as of the date first above written.

**SUCCESSOR AGENCY OF THE CITY OF  
GRIDLEY REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
City Administrator

**JONES HALL,  
A PROFESSIONAL LAW CORPORATION**

By:  \_\_\_\_\_  
Vice President

**City Council Agenda Item #6**  
**Staff Report**

**Date:** May 2, 2022  
**To:** Mayor and City Council  
**From:** Cliff Wagner, Administrator  
**Subject:** Assembly Bill 2878 Letter of Support

<b>X</b>	Regular
	Special
	Closed
	Emergency

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**Recommendation**

City staff respectfully recommends the Gridley City Council support the passage of Assembly Bill 2878 and direct a letter of support to the author and to members of the Assembly Committees on Natural Resources and Utilities and Energy.

**Background**

Butte County and all its communities have a long history of wildland fire, and the impacts fires have to forest health, watershed as well as air quality. Assembly Bill 2878 helps achieve the state's forest health and wildfire risk reduction goals by increasing the productive use of forest waste through energy generation and wood products manufacturing.

AB 2878 will: 1) help reduce future emissions related to the open burning or natural decomposition of forest residuals; 2) increase energy reliability and resiliency in those communities at greatest risk of losing power; and 3) create jobs and improve the economy in many of California's rural communities.

California is finally making progress on long-overdue forest health improvement and wildfire risk reduction projects, but there has never been a greater need to increase the pace and scale of those projects. In 2020, California's wildfires burned over 4 million acres and released over 90 million metric tons of greenhouse gas emissions. Another 2.5 million acres burned last year. Emissions from wildfires undercut much of the state's progress in reducing greenhouse gas emissions and result in widespread hazardous air quality for extended periods of time.

Biomass energy generation plays a key role in the state's forest health and wildfire risk reduction efforts since traditional methods of disposal (open burning and natural decomposition) produce far greater emissions than would occur in a biomass facility. Residuals left in place for natural decomposition add to the fuel load and are increasingly likely to be consumed in a wildfire.

**Fiscal Impact**

None

**Attachments**

Assembly Bill 2878 – Support Letter  
Assembly Bill 2878-Analysis and Bill Language



Administration 530.846.3631  
Finance/Utilities 530.846.5695  
Public Works/Electric 530.846.3631  
Fax 530.846.3229

May 2, 2022

The Honorable Cecilia Aguiar-Curry  
Member, California State Assembly  
1021 O Street, Room 6350  
Sacramento, CA 95814

**RE: Assembly Bill 2878 – Support**

Dear Assembly Member Aguiar-Curry:

The City of Gridley is pleased to support your Assembly Bill 2878, relating to forest biomass waste utilization.

Assembly Bill 2878 helps achieve the state's forest health and wildfire risk reduction goals by increasing the productive use of forest waste through energy generation and wood products manufacturing. In doing so, AB 2878 will: 1) help reduce future emissions related to the open burning or natural decomposition of forest residuals; 2) increase energy reliability and resiliency in those communities at greatest risk of losing power; and 3) create jobs and improve the economy in many of California's rural communities.

California is finally making progress on long-overdue forest health improvement and wildfire risk reduction projects, but there has never been a greater need to increase the pace and scale of those projects. In 2020, California's wildfires burned over 4 million acres and released over 90 million metric tons of greenhouse gas emissions. Another 2.5 million acres burned last year. Emissions from wildfires undercut much of the state's progress in reducing greenhouse gas emissions and result in widespread hazardous air quality for extended periods of time.

Biomass energy generation plays a key role in the state's forest health and wildfire risk reduction efforts since traditional methods of disposal (open burning and natural decomposition) produce far greater emissions than would occur in a biomass facility. Residuals left in place for natural decomposition add to the fuel load and are increasingly likely to be consumed in a wildfire. A recent field study indicates that biomass energy generation results in 98-99 percent lower PM2.5, carbon monoxide, methane, and black carbon emissions compared to open pile burning (along with a significant reduction in

NOx and carbon dioxide equivalent greenhouse gas emissions).<sup>1</sup> Similarly, many recent state reports have called for an increase in innovative wood products manufacturing to sequester carbon and put unmarketable forest residual to productive use. AB 2878 recognizes these needs and seeks to promote bioenergy production and wood products manufacturing.

AB 2878 also helps improve local energy resiliency and overall grid reliability. These are very important goals, as electrical reliability has plummeted dramatically for many rural communities. AB 2878 seeks to address these problems by:

- Promoting use of forest biomass to support rural microgrids.
- Requiring utilities to upgrade infrastructure in forested regions to reduce wildfire risk and support integration of bioenergy.
- Incentivizing interconnection of bioenergy projects.
- Extending the state's BioMAT program until 2030, which requires utilities to procure electricity from small bioenergy projects, including biomass facilities that use fuels from high hazard zones.

For these reasons, the City of Gridley is pleased to support your AB 2878. Please do not hesitate to contact me at (530) 713-7412 with any questions.

Sincerely,

Bruce Johnson, Mayor  
City of Gridley

cc: Members of the Assembly Natural Resources Committee  
Members of the Assembly Utilities and Energy Committee

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<sup>1</sup> Springsteen B, Christofk T, York R, Mason T, Baker S, Lincoln E, Hartsough B, Yoshioka T. 2015. "Forest biomass diversion in the Sierra Nevada: Energy, economics and emissions." *Calif Agr* 69(3):142-149.  
<https://doi.org/10.3733/ca.v069n03p142>.

Date of Hearing: April 18, 2022

**ASSEMBLY COMMITTEE ON NATURAL RESOURCES**

Luz Rivas, Chair

AB 2878 (Aguiar-Curry) – As Amended March 24, 2022

**SUBJECT:** Forest Biomass Waste Utilization Program

**SUMMARY:** Increases the use of forest waste biomass for energy generation and wood products manufacturing.

**EXISTING LAW:**

- 1) Establishes in the California Natural Resources Agency (NRA) the Department of Forestry and Fire Protection (CAL FIRE), and requires CAL FIRE to be responsible for, among other things, fire protection and prevention, as provided.
- 2) Establishes the State Board of Forestry and Fire Protection in CAL FIRE to represent the state's interest in the acquisition and management of state forests and requires the board to maintain an adequate forest policy.
- 3) Establishes, pursuant to Executive Order No. B-52-18, a Forest Management Task Force, now known as the Wildfire and Forest Resilience Task Force, involving specified state agencies to create the action plan for wildfire and forest resilience. The executive order also established a Joint Institute for Wood Products Innovation.
- 4) Provides the Public Utilities Commission (CPUC) with regulatory authority over public utilities, including electrical corporations.
- 5) Requires the CPUC to establish a renewable portfolio standard (RPS) requiring all retail sellers, defined as including electrical corporations, community choice aggregators, and electric service providers, to procure a minimum quantity of electricity products from eligible renewable energy resources, as defined, so that the total kilowatt hours of those products sold to their retail end-use customers achieves 44% of retail sales by December 31, 2024, 52% by December 31, 2027, and 60% by December 31, 2030.
- 6) Designates, under the California Global Warming Solutions Act of 2006, the State Air Resources Board (ARB) as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases (GHGs). Requires the ARB to adopt a statewide GHG emissions limit and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective GHG reductions.
- 7) Requires ARB, in consultation with CAL FIRE, to develop a report on or before December 31, 2020, and every 5 years thereafter, that assesses GHGs associated with wildfire and forest management activities. Requires ARB to prepare, adopt, and update an inventory of GHGs from all sources located in the state.
- 8) Establishes, pursuant to the Warren-Alquist State Energy Resources Conservation and Development Act, the State Energy Resources Conservation and Development Commission

(CEC). Requires the CEC, in consultation with specified state and federal agencies and at least every 2 years, to conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices.

**THIS BILL:**

- 1) Requires, as part of the 2025 update to the report that assesses GHGs associated with wildfire and forest management activities, ARB to include both of the following:
  - a) An inventory of short-lived climate pollutants associated with wildfire, controlled burns, and pile and burn of forest biomass waste.
  - b) An assessment of anthropogenic black carbon emissions associated with wildfire, controlled burns, and pile and burn to further the goals.
- 2) Requires ARB to incorporate the recommendations from the most recent “California Forest Carbon Plan: Managing our Forest Landscapes in a Changing Climate” into the Scoping Plan.
- 3) Requires ARB to include the GHG and short-lived climate pollutants inventories in any updates to the inventory after January 1, 2023.
- 4) For purposes of this bill, defines the following terms:
  - a) “California Forest Carbon Plan” as the “California Forest Carbon Plan: Managing our Forest Landscapes in a Changing Climate” issued by the Forest Climate Action team in May 2018.
  - b) “Forest Biomass Waste Utilization Plan” as the “Joint Institute Recommendations to Expand Wood and Biomass Utilization in California” report issued by ARB’s Joint Institute for Wood Products Innovation in November 2020.
  - c) “Forest biomass waste” as forest biomass that is removed for wildfire mitigation, to reduce the risks to public safety or infrastructure from falling trees, creation of defensible space, or for forest restoration projects.
  - d) “Forest Climate Action Team” as the team established as part of the 2014 update to the Scoping Plan, pursuant to Section 38561 of the Health and Safety Code.
  - e) “Program” as the Forest Biomass Waste Utilization Program.
  - f) “Wildfire and Forest Resilience Action Plan” as the “California Wildfire and Forest Resilience Action Plan” issued by the Governor’s Forest Management Task Force in January 2021.
- 5) Establishes the Forest Biomass Waste Utilization Program in the ARB’s Joint Institute for Wood Products Innovation. Requires the program to do all of the following:
  - a) Develop an implementation plan, in coordination with the Wildfire and Forest Resilience Task Force, Office of Planning and Research, the Governor’s Office of Business and Economic Development, Department of Conservation, CEC, and the CPUC, to meet the goals and recommendations of the Forest Biomass Waste Utilization Plan and the comprehensive wood utilization strategy and market framework required by the Wildfire and Forest Resilience Action Plan. Requires the implementation plan to do both of the following:



- i) Identify funding needs, gaps in research and demonstration, necessary regulatory changes, and other needs; and,
    - ii) Include a state procurement plan for energy, wood products, biochar, and other uses of forest biomass waste.
  - b) Develop, in collaboration with governmental, nonprofit, and for-profit entities that have expertise in workforce development, including, but not limited to, the California Workforce Development Board, a workforce training program that will complement the workforce needs associated with implementation of the biomass utilization program.
- 6) Requires, beginning January 1, 2024, and on or before every January 1 thereafter, ARB in coordination with the Wildfire and Forest Resilience Task Force, to prepare and submit an annual report to the Legislature on the progress made on implementing the implementation plan. Requires the report to be submitted in compliance with Section 9795 of the Government Code.
- 7) Requires the NRA to do all of the following:
- a) Facilitate the inclusion of recommendations for forest biomass waste utilization in relevant state climate adaptation plans, including, but not limited to, recommendations for biomass energy to increase energy reliability and community resilience.
  - b) In coordination with the California Environmental Protection Agency, the Forest Climate Action Team, and the Wildfire and Forest Resilience Task Force, prepare and publish an update on or before July 1, 2024, and at least once every five years thereafter, of both of the following plans:
    - i) The California Forest Carbon Plan. The update to the California Forest Carbon Plan shall include an inventory of black carbon and other climate pollutants emitted by wildfires, controlled burns, and pile and burn of forest waste to further the goals of Section 39730.5 of the Health and Safety Code.
    - ii) The Wildfire and Forest Resilience Action Plan.
- 8) Requires the CEC to consider funding qualifying projects pursuant to the Clean Transportation Program that use forest biomass waste for advanced biofuel technology development including, but not limited to, projects that use noncombustion conversion technologies for electrical vehicle charging or hydrogen vehicle fueling.
- 9) Requires the CPUC to do all of the following:
- a) On or before an unspecified date, adopt measures to facilitate the use of forest biomass waste to support rural microgrids and provide other grid support;
  - b) On or before an unspecified date, develop and adopt a plan requiring substations and other power infrastructure to be upgraded in forested regions to reduce the risk of causing wildfires and to support integration of biomass power;

- c) In coordination with the ARB and Office of Environmental Health Hazard Assessment, on or before an unspecified date, adopt pipeline biogas standards for biomethane generated from the noncombustion thermal conversion of forest biomass waste, and periodically update those standards;
  - d) Provide incentives for electricity and pipeline interconnection for projects that use forest biomass waste removed for wildfire mitigation or forest restoration projects;
  - e) Extend the end date of the Bioenergy Market Adjusting Tariff (BioMAT) program; and,
  - f) In coordination with NRA, increase the megawatt requirement for distributed generation projects that use forest biomass waste in the BioMAT program.
- 10) Requires, as part of the 2023 edition of the integrated energy policy report, and as part of each integrated energy policy report adopted biennially thereafter, the CPUC to include an assessment of the potential for forest biomass waste energy to provide firm renewable power.
- 11) Provides that no reimbursement is required by this bill pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

**FISCAL EFFECT:** Unknown.

**COMMENTS:**

**1) Author's statement.**

California's forests cover nearly one-third of the state and provide enormous benefits for the climate, the environment, and the economy. Our forests are, however, increasingly vulnerable to wildfire, invasive species, drought, and other threats. AB 2878 will address the need to remove forest biomass waste to reduce wildfires and create healthier forests by prioritizing state agency use of and focus on the processing of biomass waste into bioenergy and other wood products.

- 2) **Biomass.** California covers about 100 million acres and approximately 40% of the state is forest. National Forest System lands, managed by the US Forest Service, cover in excess of 18 million acres (approximately 58% of the forestland). Forest operations such as logging, thinning, fuels reduction programs, and ecosystem restoration create a huge amount of woody biomass. Some of this is brought out of the forest for use, but as much as half of the biomass is left in the forest. When residues from mastication and slash from timber harvests are left scattered throughout the forest, they act as additional dry surface fuel and serve to increase intensity and severity if a wildfire burns through the area. Often woody biomass materials are piled and burned creating air pollution, such as black carbon, or left to decay, creating methane, which has a global warming potential 28 times more powerful than carbon dioxide over a 100-year time horizon.

Today, according to the CEC, there are approximately 47 million bone dry tons (BDT) of biomass resource potential in California. According to the Board of Forestry, state requirements to remove forest fuels on one million acres per year will lead to 10 to 15 million bone dry tons of forest waste biomass annually.

SB 901 (Dodd, Chapter 626, Statutes of 2018) requires California to double forest fuel removal to reduce the risks of catastrophic wildfires. More recently, California entered an agreement with the United States Forest Service (USFS) to reduce forest fuels on 1 million acres per year. While some of that will be accomplished with prescribed fire, much of it will require mechanical thinning that will generate millions of tons of forest waste per year.

- 3) **Biomass markets.** Biomass piles reflect the severely underdeveloped forest biomass supply chain in California. One key obstacle to effectively using them is the cost of conversion, loading and transportation, since forested areas tend to be mountainous and remote. Additionally, a market for biomass can help pay for forest treatments or provide income for landowners. The main use of biomass today is as a fuel for California's existing biomass power plants. There are 23 operating biomass conversion facilities, which represent approximately 2.9% of the state's electrical generation capacity. These biomass plants use about five million BDT of biomass per year representing approximately 600 to 650 megawatts of capacity.

Wood products manufacturing and various biomass utilization pathways contribute to local and regional economies by creating jobs and generating revenue through forest management and restoration activities; commercial harvesting; product manufacturing and energy or fuels production and related support businesses; and, transportation and shipping.

- 4) **Wildfire prevention.** Wildfires have been growing in size, duration, and destructivity over the past 20 years. Growing wildfire risk is due to accumulating fuels, a warming climate, and expanding development in the wildland-urban interface. The 2020 fire season broke numerous records. In August 2020, California and the US Forest Service agreed to scale up vegetation treatment and maintenance to one million acres of federal, state, and private forest and wildlands annually by 2025.

The State of California is responsible for fire and resource protection on nearly 13.3 million acres of private and state-owned forested lands. The state owns about 1.1 million acres of these lands, and 12.2 million acres of lands are under private ownership. In the past several years, forest management has significantly expanded on these lands. CAL FIRE has increased its forest thinning and prescribed fire activities from about 30,000 acres in 2016 to more than 50,000 acres in 2020. Partners receiving state-funded grants treated more than 30,000 acres in 2020. Private landowners currently actively manage 250,000-300,000 acres through fuels reduction, mechanical thinning, and timber harvest projects.

Implementing innovative and recommended strategies for forest fuel load reduction and creating end-use markets for biomass will encourage and ideally accelerate healthy forest management to prevent wildfire spread while reducing GHG emission.

- 5) **Air Resources Board.** Pursuant to the California Global Warming Solutions Act of 2006, ARB adopts and updates every 5 years a Scoping Plan for achieving the maximum technologically feasible and cost-effective reductions in covered GHGs. AB 2878 requires ARB to incorporate the recommendations from the most recent "California Forest Carbon

Plan: Managing our Forest Landscapes in a Changing Climate” into the Scoping Plan. The majority of the goals in the Forest Climate Plan have a target date of 2030 for full implementation, which is intended to align with 2030 interim targets that were established in the Scoping Plan. Those goals include significantly increasing the pace and scale of forest and watershed improvements on nonfederal forest lands through incentives and other mechanisms meaningful difference at a landscape scale; supporting federal goals and actions to improve forest and watershed health and resiliency; preventing forest land conversions through easements and acquisitions, as well as land use planning; innovative solutions for wood products and biomass utilization to support ongoing forest management activities; and, supporting and enhancing the carbon sequestration potential and related benefits of urban forests.

In its Short Lived Climate Pollutant Reduction Strategy, the ARB acknowledges that the only practical way to rapidly reduce the impacts of climate change is to immediately reduce emissions of short-lived climate pollutants, which include black carbon and methane among others. Short-lived climate pollutants have atmospheric lifetimes on the order of a few days to a few decades, and their relative climate forcing impacts, when measured in terms of how they heat the atmosphere, can be tens, hundreds, or even thousands of times greater than that of carbon. Black carbon is emitted from burning fuels such as biomass, as well as from various forms of non-fuel biomass combustion (destruction of excess woody wastes, wildfires, etc.). Black carbon contributes to climate change both directly by absorbing sunlight and indirectly by depositing on snow and by interacting with clouds and affecting cloud formation. AB 2878 requires ARB to include in its 2025 report update that assesses GHGs associated with wildfire and forest management activities an inventory of short-lived climate pollutants associated with wildfire, controlled burns, and pile and burn of forest biomass waste and an assessment of anthropogenic black carbon emissions associated with wildfire, controlled burns, and pile and burn.

- 6) **Board of Forestry.** The Joint Institute for Wood Products Innovation at the Board of Forestry is dedicated to providing California forest product information, research, and analysis to increase economic drivers for healthy forests. Institute work focuses on long-term ecological and economic sustainability; education and outreach; increased forest resilience, long-term carbon storage, and local economies; and industry retention and development in California.

On November 14, 2020, the Joint Institute for Wood Products Innovation and the Board of Forestry released a set of recommendations to promote biomass utilization in California. This bill establishes the Forest Biomass Waste Utilization Program under the administration of the Board of Forestry’s Joint Institute for Wood Products Innovation to meet the goals and recommendations of the Forest Biomass Waste Utilization Plan and the comprehensive wood utilization strategy and market framework required by the Wildfire and Forest Resilience Action Plan. More specifically, the bill would require this effort to identify funding needs, gaps in research and demonstration, necessary regulatory changes, and other needs; include a state procurement plan for energy, wood products, biochar, and other uses of forest biomass waste; and, develop a workforce training program that will complement the workforce needs associated with implementation of the biomass utilization program. AB 2878 codifies recommendations in the state’s Forest Biomass Utilization Plan to convert more of that forest waste to beneficial end uses such as bioenergy and finished wood products.

The bill requires, beginning January 1, 2024, and annually thereafter, ARB in coordination with the Wildfire and Forest Resilience Task Force, to prepare and submit an annual report to the Legislature on the progress made on implementing the implementation plan.

- 7) **Natural Resources Agency.** SB 859 (Committee on Budget and Fiscal Review, Chapter 368, Statutes of 2016) directed NRA to establish a working group on expanding wood product markets to utilize woody biomass, especially biomass removed from high hazard zones identified through the state's Tree Mortality Task Force. That task force issued a report that outlines actions, policies and pilot programs to increase demand for California forest products and expand knowledge and skills needed to develop and manufacture them. Since then, the task force has evolved into the Wildfire Prevention and Forest Resiliency Task Force, which has released a strategic plan to treat forests with prescribed burning, fuel load reduction, and other efforts to sustain healthy forest management and prevent fire.

AB 2878 requires the NRA to do all of the following facilitate the inclusion of recommendations for forest biomass waste utilization in relevant, state climate adaptation plans, including, but not limited to, recommendations for biomass energy to increase energy reliability and community resilience. It also requires NRA, in coordination with specified state entities, to prepare and publish an update on or before July 1, 2024, and at least once every five years thereafter, of the California Forest Carbon Plan, and the Wildfire and Forest Resilience Action Plan.

- 8) **Energy Commission.** This bill would require the CEC to consider funding qualifying projects pursuant to the Clean Transportation Program that use forest biomass waste for advanced biofuel technology development including, but not limited to, projects that use noncombustion conversion technologies for electrical vehicle charging or hydrogen vehicle fueling.

The Clean Transportation Program, also known as the Alternative and Renewable Technology Program, invests up to \$100 million annually in a broad portfolio of transportation and fuel transportation projects, including biomethane, which is a renewable natural gas produced from decaying organic matter such as waste water treatment sludge, food waste, animal manures, landfill gas, dead trees, and municipal solid waste through a process called anaerobic digestion.

Combining biomethane and natural gas technology is an effective way of supporting the state's clean air and climate change goals. Use of biomethane to fuel natural gas trucks with certain emissions-reducing technologies can reduce criteria pollutant and GHGs to levels near those of zero-emission battery electric vehicles and hydrogen fuel cell electric vehicles.

According to the CEC, biomethane can reduce GHGs by 30-70%, on average, and up to 125% compared to petroleum-based fuels. Biomethane can be used in the rapidly expanding fleet of medium-duty and heavy-duty natural gas trucks, particularly in the sectors of refuse collection, public transit, and the transport of goods over short distances at the state's port.

- 9) **Public Utilities Commission.** AB 2878 requires the CPUC to adopt measures to facilitate the use of forest biomass waste to support rural microgrids and provide other grid support; develop and adopt a plan requiring substations and other power infrastructure to be upgraded in forested regions to reduce the risk of causing wildfires and to support integration of

biomass power; adopt pipeline biogas standards for biomethane generated; provide incentives for electricity and pipeline interconnection for projects that use forest biomass waste removed for wildfire mitigation or forest restoration projects; among other things.

SB 901 amended the CPUC's Bioenergy Renewable Auction Mechanism (BioRAM) program to add program flexibility and extend certain contracts by five years. In January 2019, the CPUC ordered the independently owned utilities (IOUs) to amend their BioRAM contracts to expand the eligible fuel stock that can be classified as High Hazard Zones (HHZ) fuel, offer BioRAM sellers a monthly opt-out and reporting option for annual fuel use requirements, and ordered the IOUs to seek to extend eligible BioRAM and other biomass contracts by five years.

In the CPUC's November 2020 RPS Annual Report, it reported that the issue of forest health and its impact on wildfire vulnerability intersects with the RPS programs of BioMAT and BioRAM. To ensure that these programs effectively address the state's policy goals, CPUC staff work with stakeholders and state agencies to address program costs and barriers to HHZ woody biomass procurement. The CPUC participates in regular, ongoing forums that address the State's emergency status due to high fire threat regions exacerbated by drought conditions since 2012. In 2020, the CPUC participated in a cross-agency effort to identify strategies that consider the role of bioenergy and align across agencies on woody biomass utilization in the context of state goals, including climate change, air quality, and affordability.

- 10) **Double referral.** If this bill is approved by the Assembly Natural Resources Committee, it will be referred to the Assembly Utilities and Energy Committee, which will further analyze the sections of this bill related to the CEC and CPUC as they are germane to that committee's jurisdiction.
- 11) **Committee amendments.** To address the gaps in the bill, the Committee may wish to amend the bill as follows:
  - a) Move Section 4140.3 from the Public Resources Code to Public Utilities Code;
  - b) Establish the timeframes in Section 4140.3;
  - c) Change the requirement to increase megawatts in the forest BioMAT program (section 4140.3(e)(2)) to a requirement to consider, in coordination with NRA, increasing the megawatt requirement;
  - d) Delete Sec. 4140(a)(1)(b) to require a procurement plan for biomass waste; and,
  - e) Other technical, cleanup changes.

## REGISTERED SUPPORT / OPPOSITION:

### Support

Bioenergy Association of California  
California Biomass Energy Alliance

Earth Foundries, INC.  
Ganrock  
Golden State Natural Gas Systems  
H Cycle LLC  
Humboldt and Mendocino Redwood Company LLC  
Marin Wildfire Prevention Authority  
Microgrid Resources Coalition  
Mote, INC.  
Northstar Community Services District  
Placer County Air Pollution Control District  
Rural County Representatives of California (sponsor)  
Sierra Business Council  
The Watershed Research and Training Center  
TSS Consultants  
Wisewood Energy  
Yosemite Clean Energy

**Opposition**

None on file.

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /

AMENDED IN ASSEMBLY APRIL 20, 2022

AMENDED IN ASSEMBLY MARCH 24, 2022

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

## ASSEMBLY BILL

**No. 2878**

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**Introduced by Assembly Member Aguiar-Curry**

February 18, 2022

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An act to amend Sections 38535, 38561, and 39607.4 of the Health and Safety Code, ~~and~~ to add Section 25302.3 to, and to add Article 3.5 (commencing with Section 4139) to Chapter 1 of Part 2 of Division 4 of, the Public Resources Code, *and to add Section 399.20.6 to the Public Utilities Code*, relating to public resources.

### LEGISLATIVE COUNSEL’S DIGEST

AB 2878, as amended, Aguiar-Curry. Forest Biomass Waste Utilization Program.

(1) Existing law establishes in the Natural Resources Agency the Department of Forestry and Fire Protection (CalFire), and requires CalFire to be responsible for, among other things, fire protection and prevention, as provided. Existing law establishes the State Board of Forestry and Fire Protection in CalFire to represent the state’s interest in the acquisition and management of state forests and requires the board to maintain an adequate forest policy. The former Governor, Edmund G. Brown Jr., issued Executive Order No. B-52-18 that, among other things, established a Forest Management Task Force, now known as the Wildfire and Forest Resilience Task Force, involving specified state agencies to create the action plan for wildfire and forest resilience. The executive order also established a Joint Institute for Wood Products Innovation, to be located within the state board.



This bill would establish the Forest Waste Biomass Utilization Program to be administered by the state board's Joint Institute for Wood Products Innovation to develop an implementation plan to meet the goals and recommendations of specified statewide forest management plans and to develop a workforce training program to complement workforce needs associated with the implementation plan. The bill would require the state board, in coordination with the Wildfire and Forest Resilience Task Force, to submit an annual report to the Legislature, beginning January 1, 2024, on the progress made on implementing the implementation plan.

This bill would require the Natural Resources Agency, in furtherance of the program, to facilitate the inclusion of recommendations for forest biomass waste utilization in state climate adaptation plans. The bill would require the agency, in coordination with specified state entities, to prepare and publish, on or before July 1, 2024, and at least once every 5 years thereafter, updates to certain plans related to forests.

(2) Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations. The California Renewables Portfolio Standard Program requires the commission to establish a renewables portfolio standard requiring all retail sellers, defined as including electrical corporations, community choice aggregators, and electric service providers, to procure a minimum quantity of electricity products from eligible renewable energy resources, as defined, so that the total kilowatthours of those products sold to their retail end-use customers achieves 44% of retail sales by December 31, 2024, 52% by December 31, 2027, and 60% by December 31, 2030.

This bill would require the commission, on or before ~~an unspecified date~~, *December 31, 2024*, to adopt measures that facilitate the use of forest biomass waste to support rural microgrids and provide other grid support. The bill would also require the commission, on or before ~~an unspecified date~~, *December 31, 2024*, to develop and adopt a plan requiring substation and other power infrastructure to be updated in forested regions to reduce the risk of wildfires and support the integration of biomass power. The bill would require the commission, in coordination with the State Air Resources Board and the Office of Environmental Health Hazard Assessment, on or before ~~an unspecified date~~, *January 1, 2024*, to adopt and periodically update, pipeline biogas standards for biomethane generated from noncombustion thermal conversion of forest biomass waste. The bill would require the commission to provide incentives for electricity and pipeline

interconnection for projects that use forest biomass waste removed for wildfire mitigation or forest restoration projects.

The California Renewables Portfolio Standard Program requires every electrical corporation to file with the commission a standard tariff for electricity generated by an electric generation facility, as defined. The commission refers to this requirement as the renewable feed-in tariff, which, in part, requires the commission to direct the electrical corporations, collectively, to procure at least 250 megawatts of cumulative rated generating capacity from developers of bioenergy projects that commence operation on or after June 1, 2013. Pursuant to this requirement, the commission has established and revised the Bioenergy Market Adjusting Tariff (BioMAT) program, which is extended through 2025.

This bill would require the commission to extend the BioMAT program to 2030. The bill would also require the commission to ~~increase~~ *consider increasing* the megawatt requirement established for forest biomass in the BioMAT program.

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of a commission action implementing this bill's requirements would be a crime, the bill would impose a state-mandated local program.

(3) The California Global Warming Solutions Act of 2006 designates the State Air Resources Board (state air board) as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act requires the state air board to adopt a statewide greenhouse gas emissions limit, as specified, and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions. The act requires the state air board to prepare, approve, and update at least once every 5 years, beginning on January 1, 2009, a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions from sources or categories of sources of greenhouse gases under the act. The act also requires the state air board, in consultation with CalFire, to develop a report on or before December 31, 2020, and every 5 years thereafter, that assesses greenhouse gas emissions associated with wildfire and forest management activities. Existing law requires the state air board to prepare, adopt, and update an inventory of greenhouse gas emissions from all sources located in the state, as specified.

This bill would require the state air board to incorporate the recommendations from a specified plan relating to forests into the next update of the scoping plan. The bill would also require the state air board to include, as part of the 2025 update to the greenhouse gas emissions report, an inventory of short-lived climate pollutants and an assessment of anthropogenic black carbon emissions associated with wildfire, controlled burns, and pile and burn of forest biomass waste. The bill would require the state air board to include the updates to the greenhouse gas emissions report and short-lived climate pollutants inventory into subsequent updates of the greenhouse gas emissions inventory.

(4) The Warren-Alquist State Energy Resources Conservation and Development Act establishes the State Energy Resources Conservation and Development Commission (Energy Commission). Existing law requires the Energy Commission, in consultation with specified state and federal agencies and at least every 2 years, to conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices. Existing law requires the Energy Commission, in consultation with specified entities, to adopt a biennial integrated energy policy report containing certain information.

This bill would require the Energy Commission to include, as part of the 2023 edition of the integrated policy report, and each report adopted biennially thereafter, an assessment of the potential for forest biomass waste energy to provide firm renewable power.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Reducing wildfire severity and restoring healthy and resilient
- 4 forests requires active forest management, including forest thinning
- 5 and fuel removal in high fire hazard severity zones.

1 (b) Senate Bill 901 (Chapter 626 of the Statutes of 2018) calls  
2 upon California to significantly increase the amount of forest fuel  
3 removal for wildfire mitigation.

4 (c) The 2020 Forest Stewardship Agreement between California  
5 and the United States Forest Service requires forest fuel removal  
6 on 1,000,000 acres per year.

7 (d) The “Joint Institute Recommendations to Expand Wood and  
8 Biomass Utilization in California” issued by the State Board of  
9 Forestry and Fire Protection’s Joint Institute for Wood Products  
10 Innovation in November 2020, found that meeting fuel removal  
11 requirements would generate tens of millions of tons of dry forest  
12 waste annually, and provided recommendations for the beneficial  
13 use of forest biomass waste.

14 (e) Implementing the recommendations of the “Joint Institute  
15 Recommendations to Expand Wood and Biomass Utilization in  
16 California” will reduce the need for the piling and burning of forest  
17 waste, and would instead generate useful wood products, renewable  
18 energy, low carbon fuels, biochar and other soil amendments, while  
19 reducing wildfire risk.

20 (f) “California’s Wildfire and Forest Resilience Action Plan”  
21 issued by the Governor’s Forest Management Task Force in  
22 January 2021, requires the Office of Planning and Research, among  
23 other state agencies, to develop a comprehensive framework to  
24 align the state’s wood utilization policies and priorities, including  
25 creating a focused market strategy and comprehensive set of  
26 metrics to evaluate biomass availability, usage, investments, and  
27 workforce levels to create a sustainable wood products market in  
28 the state.

29 (g) According to the “California Forest Carbon Plan: Managing  
30 our Forest Landscapes in a Changing Climate” issued by the Forest  
31 Climate Action Team in 2018 and adopted by the California  
32 Environmental Protection Agency, Natural Resources Agency,  
33 and Department of Forestry and Fire Protection, converting waste  
34 biomass to energy cuts black carbon, particulate matter, methane,  
35 and carbon monoxide by 98 percent, in comparison to controlled  
36 burns or wildfire.

37 (h) Converting forest waste to hydrogen, electricity, and other  
38 renewable fuels can provide significant carbon negative emissions  
39 needed to reach carbon neutrality by 2050.

1 (i) Forest biomass waste utilization will create jobs and  
2 economic development in many of the poorest regions of the state,  
3 increase energy resilience in the communities that are most  
4 vulnerable to power disruptions, and help to create a circular  
5 economy in California's forested communities.

6 SEC. 2. Section 38535 of the Health and Safety Code is  
7 amended to read:

8 38535. The state board, in consultation with the California  
9 Department of Forestry and Fire Protection, shall develop all of  
10 the following:

11 (a) A standardized system for quantifying the direct carbon  
12 emissions and decay from fuel reduction activities for purposes of  
13 meeting the accounting requirements for Greenhouse Gas  
14 Reduction Fund expenditures. This system may include  
15 standardized lookup tables by forest stand type, including for oak  
16 woodland forests, and harvest or other management prescriptions.  
17 The system shall acknowledge that certain expenditures, such as  
18 for planning, analysis, modeling, or outreach, will not have a direct  
19 greenhouse gas reduction benefit, but will facilitate necessary  
20 climate preparedness activities that will have direct greenhouse  
21 gas benefits.

22 (b) In consultation with academic experts, a historic baseline  
23 of greenhouse gas emissions from California's natural fire regime  
24 reflecting conditions before modern fire suppression. This shall  
25 be completed on or before December 31, 2020. The baseline may  
26 be included within the state board's natural working lands  
27 inventory.

28 (c) (1) On or before December 31, 2020, and every five years  
29 thereafter, a report that assesses greenhouse gas emissions  
30 associated with wildfire and forest management activities.

31 (2) As part of the 2025 update to the report developed pursuant  
32 to paragraph (1), and every update thereafter, the state board shall  
33 include both of the following:

34 (A) An inventory of short-lived climate pollutants associated  
35 with wildfire, controlled burns, and pile and burn of forest biomass  
36 waste.

37 (B) An assessment of anthropogenic black carbon emissions  
38 associated with wildfire, controlled burns, and pile and burn to  
39 further the goals of Section 39730.5.

1 SEC. 3. Section 38561 of the Health and Safety Code is  
2 amended to read:

3 38561. (a) On or before January 1, 2009, the state board shall  
4 prepare and approve a scoping plan, as that term is understood by  
5 the state board, for achieving the maximum technologically feasible  
6 and cost-effective reductions in greenhouse gas emissions from  
7 sources or categories of sources of greenhouse gases by 2020 under  
8 this division. The state board shall consult with all state agencies  
9 with jurisdiction over sources of greenhouse gases, including the  
10 Public Utilities Commission and the State Energy Resources  
11 Conservation and Development Commission, on all elements of  
12 its plan that pertain to energy-related ~~matters~~ *matters*, including,  
13 but not limited to, electrical generation, ~~load-based standards~~  
14 *load-based standards* or requirements, the provision of reliable  
15 and affordable electrical service, petroleum refining, and statewide  
16 fuel supplies to ensure the greenhouse gas emissions reduction  
17 activities to be adopted and implemented by the state board are  
18 complementary, nonduplicative, and can be implemented in an  
19 efficient and cost-effective manner.

20 (b) The plan shall identify and make recommendations on direct  
21 emissions reduction measures, alternative compliance mechanisms,  
22 market-based compliance mechanisms, and potential monetary  
23 and nonmonetary incentives for sources and categories of sources  
24 that the state board finds are necessary or desirable to facilitate  
25 the achievement of the maximum feasible and cost-effective  
26 reductions of greenhouse gas emissions by 2020.

27 (c) In making the determinations required by subdivision (b),  
28 the state board shall consider all relevant information pertaining  
29 to greenhouse gas emissions reduction programs in other states,  
30 localities, and nations, including the northeastern states of the  
31 United States, Canada, and the European Union.

32 (d) The state board shall evaluate the total potential costs and  
33 total potential economic and noneconomic benefits of the plan for  
34 reducing greenhouse gases to California's economy, environment,  
35 and public health, using the best available economic models,  
36 emission estimation techniques, and other scientific methods.

37 (e) In developing its plan, the state board shall take into account  
38 the relative contribution of each source or source category to  
39 statewide greenhouse gas emissions, and the potential for adverse  
40 effects on small businesses, and shall recommend a de minimis

1 threshold of greenhouse gas emissions below which emissions  
2 reduction requirements will not apply.

3 (f) In developing its plan, the state board shall identify  
4 opportunities for emissions reduction measures from all verifiable  
5 and enforceable voluntary actions, including, but not limited to,  
6 carbon sequestration projects and best management practices.

7 (g) The state board shall incorporate the recommendations from  
8 the most recent “California Forest Carbon Plan: Managing our  
9 Forest Landscapes in a Changing Climate” into the plan.

10 (h) The state board shall conduct a series of public workshops  
11 to give interested parties an opportunity to comment on the plan.  
12 The state board shall conduct a portion of these workshops in  
13 regions of the state that have the most significant exposure to air  
14 pollutants, including, but not limited to, communities with minority  
15 populations, communities with low-income populations, or both.

16 (i) The state board shall update its plan for achieving the  
17 maximum technologically feasible and cost-effective reductions  
18 of greenhouse gas emissions at least once every five years.

19 SEC. 4. Section 39607.4 of the Health and Safety Code is  
20 amended to read:

21 39607.4. (a) On and after January 1, 2007, as part of its  
22 responsibilities under Section 39607, and in order to streamline,  
23 consolidate, and unify the inventory of air emissions under one  
24 agency in state government, the state board shall prepare, adopt,  
25 and update the inventory formerly required to be adopted and  
26 updated by the State Energy Resources Conservation and  
27 Development Commission pursuant to Chapter 8.5 (commencing  
28 with Section 25730) of Division 15 of the Public Resources Code.

29 (b) The state board shall include the greenhouse gas and  
30 short-lived climate pollutants inventories developed pursuant to  
31 subdivision (c) of Section 38535 in any updates to the inventory  
32 prepared pursuant to subdivision (a) after January 1, 2023.

33 SEC. 5. Article 3.5 (commencing with Section 4139) is added  
34 to Chapter 1 of Part 2 of Division 4 of the Public Resources Code,  
35 to read:

36  
37 Article 3.5. Forest Biomass Waste Utilization Program

38  
39 4139. For purposes of this article, the following definitions  
40 apply:

1 (a) “California Forest Carbon Plan” means the “California Forest  
2 Carbon Plan: Managing our Forest Landscapes in a Changing  
3 Climate” issued by the Forest Climate Action team in May 2018.

4 (b) “Forest Biomass Waste Utilization Plan” means the “Joint  
5 Institute Recommendations to Expand Wood and Biomass  
6 Utilization in California” report issued by the board’s Joint Institute  
7 for Wood Products Innovation in November 2020.

8 (c) “Forest biomass waste” is forest biomass that is removed  
9 for wildfire mitigation, to reduce the risks to public safety or  
10 infrastructure from falling trees, creation of defensible space, or  
11 for forest restoration projects.

12 (d) “Forest Climate Action Team” means the team established  
13 as part of the 2014 update to the scoping plan pursuant to Section  
14 38561 of the Health and Safety Code.

15 (e) “Program” means the Forest Biomass Waste Utilization  
16 Program established pursuant to Section 4140.

17 (f) “Wildfire and Forest Resilience Action Plan” means the  
18 “California Wildfire and Forest Resilience Action Plan” issued by  
19 the Governor’s Forest Management Task Force in January 2021.

20 4140. (a) The Forest Biomass Waste Utilization Program is  
21 hereby established in the board’s Joint Institute for Wood Products  
22 Innovation. The program shall do all of the following:

23 (1) Develop an implementation plan, in coordination with the  
24 Wildfire and Forest Resilience Task Force, Office of Planning and  
25 Research, Governor’s Office of Business and Economic  
26 Development, ~~department,~~ *Department of Toxic Substances*  
27 *Control*, Department of Conservation, State Energy Resources  
28 Conservation and Development Commission, and Public Utilities  
29 Commission, to meet the goals and recommendations of the Forest  
30 Biomass Waste Utilization Plan and the comprehensive wood  
31 utilization strategy and market framework required by the Wildfire  
32 and Forest Resilience Action Plan. The implementation plan shall  
33 do both of the following:

34 (A) ~~Identify~~—*Identify, with particular emphasis on the*  
35 *development of new forest biomass waste utilization projects on*  
36 *developed property that is located near forested land that sources*  
37 *forest biomass waste*, funding needs, gaps in research and  
38 demonstration, necessary regulatory changes, and other needs.

39 (B) ~~Include a state procurement plan for energy, wood products,~~  
40 ~~biochar, and other uses of forest biomass waste.~~



1     (B) *Adopt best practices for biomass feedstock aggregation that*  
2     *are consistent with the recommendations of the Office of Planning*  
3     *and Research.*

4     (2) In collaboration with governmental, nonprofit, and for-profit  
5     entities that have expertise in workforce development, including,  
6     but not limited to, the California Workforce Development Board,  
7     develop a workforce training program that will complement the  
8     workforce needs associated with implementation of the biomass  
9     utilization program.

10    (b) Beginning January 1, 2024, and on or before every January  
11    1 thereafter, the board, in coordination with the Wildfire and Forest  
12    Resilience Task Force, shall prepare and submit an annual report  
13    to the Legislature on the progress made on implementing the  
14    implementation plan developed pursuant to subparagraph (1) of  
15    subdivision (a).

16    (c) A report to be submitted pursuant to subdivision (b) shall  
17    be submitted in compliance with Section 9795 of the Government  
18    Code.

19    4140.1. In furtherance of the program, the Natural Resources  
20    Agency shall do all of the following:

21    (a) Facilitate the inclusion of recommendations for forest  
22    biomass waste utilization in relevant, state climate adaptation plans,  
23    including, but not limited to, recommendations for biomass energy  
24    to increase energy reliability and community resilience.

25    (b) In coordination with the California Environmental Protection  
26    Agency, the Forest Climate Action Team, and the Wildfire and  
27    Forest Resilience Task Force, prepare and publish an update on  
28    or before July 1, 2024, and at least once every five years thereafter,  
29    of both of the following plans:

30    (1) The California Forest Carbon Plan. The update to the  
31    California Forest Carbon Plan shall include an inventory of black  
32    carbon and other climate pollutants emitted by wildfires, controlled  
33    burns, and pile and burn of forest waste to further the goals of  
34    Section 39730.5 of the Health and Safety Code.

35    (2) The Wildfire and Forest Resilience Action Plan.

36    4140.2. In furtherance of the program, the State Energy  
37    Resources Conservation and Development Commission ~~shall~~ *shall*,  
38    *in coordination with the department, Natural Resources Agency,*  
39    *and Department of Conservation,* consider funding qualifying  
40    projects pursuant to the Clean Transportation Program (Article 2

(commencing with Section 44272) of Chapter 8.9 or Part 5 of Division 26 of the Health and Safety Code) that use forest biomass waste for advanced biofuel technology ~~development~~ *development*, including, but not limited to, projects that use noncombustion conversion technologies for electrical vehicle charging or hydrogen vehicle fueling.

~~4140.3.— In furtherance of the program, the Public Utilities Commission shall do all of the following:~~

~~(a) On or before \_\_\_\_\_, adopt measures to facilitate the use of forest biomass waste to support rural microgrids and provide other grid support.~~

~~(b) On or before \_\_\_\_\_, develop and adopt a plan requiring substations and other power infrastructure to be upgraded in forested regions to reduce the risk of causing wildfires and to support integration of biomass power.~~

~~(c) In coordination with the State Air Resources Board and Office of Environmental Health Hazard Assessment, on or before \_\_\_\_\_, adopt pipeline biogas standards for biomethane generated from the noncombustion thermal conversion of forest biomass waste, and periodically update those standards as required by subdivision (e) of Section 25421 of the Health and Safety Code.~~

~~(d) Provide incentives for electricity and pipeline interconnection for projects that use forest biomass waste removed for wildfire mitigation or forest restoration projects.~~

~~(e) (1) Extend the end date of the Bioenergy Market Adjusting Tariff program, established by the Public Utilities Commission pursuant to Section 399.20 of the Public Utilities Code, to 2030.~~

~~(2) In coordination with the Natural Resources Agency and the department, increase the megawatt requirement established pursuant to clause (iii) of subparagraph (A) of paragraph (2) of subdivision (f) of Section 399.20 of the Public Utilities Code for distributed generation projects that use forest biomass waste in the Bioenergy Market Adjusting Tariff program.~~

SEC. 6. Section 25302.3 is added to the Public Resources Code, to read:

25302.3. (a) As part of the 2023 edition of the integrated energy policy report, and as part of each integrated energy policy report adopted biennially thereafter, the commission shall include an assessment of the potential for forest biomass waste energy to provide firm renewable power.

(b) For the purposes of this section, “forest biomass waste” means the same as defined in Section 4139 of the Public Resources Code.

*SEC. 7. Section 399.20.6 is added to the Public Utilities Code, to read:*

*399.20.6. In furtherance of the Forest Biomass Waste Utilization Program established pursuant to Article 3.5 (commencing with Section 4139) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, the commission shall, in coordination with the Natural Resources Agency and the Department of Conservation, do all of the following:*

*(a) On or before December 31, 2024, adopt measures to facilitate the use of forest biomass waste to support rural microgrids and provide other grid support.*

*(b) On or before December 31, 2024, develop and adopt a plan requiring substations and other power infrastructure to be upgraded in forested regions to reduce the risk of causing wildfires and to support integration of biomass power.*

*(c) In coordination with the State Air Resources Board and Office of Environmental Health Hazard Assessment, on or before January 1, 2024, adopt pipeline biogas standards for biomethane generated from the noncombustion thermal conversion of forest biomass waste, and periodically update those standards as required by subdivision (e) of Section 25421 of the Health and Safety Code.*

*(d) Provide incentives for electricity and pipeline interconnection for projects that use forest biomass waste removed for wildfire mitigation or forest restoration projects.*

*(e) (1) Extend the end date of the Bioenergy Market Adjusting Tariff program, established pursuant to Section 399.20, to 2030.*

*(2) In coordination with the Natural Resources Agency and the Department of Forestry and Fire Protection, consider increasing the megawatt requirement established pursuant to clause (iii) of subparagraph (A) of paragraph (2) of subdivision (f) of Section 399.20 for distributed generation projects that use forest biomass waste in the Bioenergy Market Adjusting Tariff program. If the commission decides to increase the megawatt requirement pursuant to this paragraph, the commission shall also increase the megawatt amount established in paragraph (2) of subdivision (f) of Section 399.20 by the same amount.*

1     ~~SEC. 7.~~

2     *SEC. 8.* No reimbursement is required by this act pursuant to  
3 Section 6 of Article XIII B of the California Constitution because  
4 the only costs that may be incurred by a local agency or school  
5 district will be incurred because this act creates a new crime or  
6 infraction, eliminates a crime or infraction, or changes the penalty  
7 for a crime or infraction, within the meaning of Section 17556 of  
8 the Government Code, or changes the definition of a crime within  
9 the meaning of Section 6 of Article XIII B of the California  
10 Constitution.

O