

Gridley City Council – Regular Meeting Agenda

Monday, July 21, 2025; 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.”

The Public is encouraged to attend and participate in person. Comments from the public on agenda items will be accepted until 4 pm on July 21st, 2024, via email to 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:

<https://us06web.zoom.us/j/84802045480?pwd=j2JVkyGKTeSJrrjVrgLv7PaBhm3lVW.1>

Webinar ID: 848 0204 5480

Passcode: 825014

CALL TO ORDER - Mayor Farr

ROLL CALL

PLEDGE OF ALLEGIANCE – Councilmember Roberts

PROCLAMATION – None

INTRODUCTION OF NEW OR PROMOTED EMPLOYEES

- Savanna Gorton, Animal Control Officer

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. Professional Services Agreement for Annual Street Report – State Controller’s Office

Council to review and approve the contract for services with the State Controllers Officer for the preparation of the City of Gridley’s 24/25 Annual Street Report

Recommended Action(s):

- a. Approve the contract for services with the State Controller’s Officer for an amount not to exceed \$2,800

- b. Authorize the Finance Director to execute said contract for services

ITEMS FOR CONSIDERATION

2. Tentative Parcel Map No. 1-25 – Steffen Estates

Application for a tentative parcel map to subdivide one parcel consisting of approximately 8.66 acres into forty-six (46) parcels for a residential housing development located on the south side of Little Avenue at 1370 Richins Avenue (APN: 021-250-008)

Recommended Action(s):

- a. Adopt Resolution: 2025-R-019: adopting the Categorical Exemption meeting the California Environmental Quality Act; and,
- b. Approval of TSM 1-25 – Steffen Estates

3. Banking Services Award of Contract – Five-Star Banks

City staff respectfully requests that the City Council review and accept Five-Star Bank's proposal for banking services

Recommended Action(s):

- a. Accept the proposal submitted by Five-Star Bank for the provision of comprehensive Banking and Treasury Services;
- b. Authorize the Finance Director to execute the Banking Agreement with Five-Star Bank;
- c. c. Authorize the update to Merchant Service fees to shift the cost of credit card processing to customers who choose to pay with a credit card (Visa, Mastercard, etc.).

4. Laurel Street Dedication to the City of Gridley from Gridley Unified School District

City staff respectfully recommends that the City Council adopt Resolution 2025-R-020: A Resolution of the City of Gridley accepting the dedication from the Gridley Unified School District of the 30-foot wide public right-of-way for the Laurel Street extension Randolph Avenue.

Recommended Action(s):

- a. Approve Resolution 2025-R-020 accepting the dedication of the 30-foot wide public right of way

5. Award of Contract to CivicPlus for Website Redesign Services

Staff respectfully request the City Council to approve the contract for services with Civic Plus to redesign and host the City of Gridley's website

Recommended Action(s):

- a. Approve the award of contract with Civic Plus to redesign and host the City's website for the initial implementation amount of \$13,870
- b. Approve the annual cost of \$9,628.50

6. Gridley Police Department Vehicle Surplus

Staff respectfully recommends that the City Council declare the five referenced vehicles as surplus assets beyond their useful lives and have them disposed of per the City of Gridley's surplus procedures

Recommended Action(s):

- a. Declare the five vehicles listed in the staff report as surplus assets
- b. Approve City staff to dispose of them per the City of Gridley's surplus procedures

7. Feather River Temporary Access

Council consideration of a Temporary License Agreement with Farmland Reserve, Inc. to allow temporary access to their property for preliminary studies related to the proposed Feather River Sewer Crossing project.

Recommended Action(s):

- a. Approve the draft Temporary License Agreement with Farmland Reserve, Inc.
- b. Authorize the City Administrator to finalize the agreement and to negotiate a contingency amount exceeding the \$4,000, if necessary, to address any unforeseen issues without delaying this time-sensitive project

8. NCPA Third Phase Agreement with Santa Clara

City Council to consider approval of the Third Phase Agreement for PCC 1 REC Transaction Confirmation with the City of Santa Clara (Third Phase Agreement) and authorize Michael Farr, Mayor to execute said agreement.

Recommended Action(s):

- a. Approve the Third Phase Agreement for PCC 1 REC Transaction Confirmation with the City of Santa Clara
- b. Authorize Mayor Michael Farr to execute said agreement

COUNCIL COMMITTEE REPORTS - *Brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

CITY ADMINISTRATOR REPORTS - *Brief updates and reports on conferences, seminars, and meetings attended by the City Administrator, if any.*

DEPARTMENT UPDATE REPORTS – *Brief updates and reports on City services as it pertains to each department, if any.*

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

Sidewalk Ordinance Update	8/18/2025
Travel Policy	8/18/2025
Energy Efficiency Contract Review	8/18/2025

CLOSED SESSION –

9. Pursuant to Government Code 54957.6: Conference with Labor Negotiator, Elisa Arteaga, City Administrator, for discussion of progress of collective bargaining discussions with City Employee represented classes – IBEW, MMU, and GPOA
10. Closed session discussion and conference with Legal Counsel pursuant to Government Code 54956.9 – Existing Litigation – “In Re: Aqueous Film Forming Foams Products Liability Litigation, 3M Class Action Case; United States District Court, District of South Carolina, Charleston Division, MDL No. 18-mm-2873-RMG; Case No. 2:23-CV-03147-RMG
11. Closed session discussion with legal counsel and city staff pursuant to Government Code 54956.9 - Anticipated or threatened litigation concerning accessibility

ADJOURNMENT – adjourning to a regular meeting on August 4th, 2025

NOTE 1: POSTING OF AGENDA- This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., July 18th, 2025. This agenda along with all attachments is available for public viewing online at 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.

City Council Agenda Item #1

Staff Report

Date: July 21, 2024

To: Mayor and City Council

From: Finance Director, Martin Pineda

Subject: FY 2024-2025 Streets Report – SCO Contract

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

Recommendation

Staff respectfully requests that the Mayor and City Council consider and approve the proposal for the State Controllers Office (SCO) to prepare the annual Street Report for the City of Gridley, for an amount not to exceed \$2,800.

Background

The Streets Report is one of many annual reports the City of Gridley must file. The SCO has assisted the city in the past with the preparation and submission of this report. To abide by Section 2151 of the California Streets and Highway Code that requires cities to file with the SCO on or before December 1 of each year. The SCO will work with Finance staff to complete the report in a timely manner and discuss the findings. The proposal is attached outlining the scope of services.

Fiscal Impact

The contract is for the same amount as previous year's and will not exceed \$2,800.

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.

Attachments

Gridley_FY 2024-25 Annual Street Report (ASR) Contract



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

June 17, 2025

Martin Pineda
Finance Director
City of Gridley
685 Kentucky Street
Gridley, CA 95948

Dear Mr. Pineda:

The State Controller's Office, Division of Audits, is available to assist in preparing your fiscal year 2024-25 Annual Street Report on a cost-recovery basis. The estimated cost for our assistance should not exceed \$2,800. This preparation fee may be charged to your Special Gas Tax Street Fund.

If you would like our office to provide this service, please complete and return:

- The Contract for Services to Prepare the Annual Street Report; and
- The Contract Information Sheet for scheduling assistance.

Please return the above documents by July 18, 2025 to the State Controller's Office, Division of Audits, Local Government Audits Bureau, by email at AUDStreetsRoads@sco.ca.gov.

Scheduling priority will be given to those who respond promptly. If you have any questions, please email us or contact Lisa Tam at (916) 323-5932.

Sincerely,

Original signed by

JORDAN INABNIT, CPA, Audit Manager
Local Government Audits Bureau
Division of Audits

LGA-2025-108

Enclosures



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

CONTRACT FOR SERVICES TO PREPARE THE ANNUAL STREET REPORT

This contract is executed between the State Controller's Office (SCO), Division of Audits and the City of Gridley.

Whereas Section 2151 of the California *Streets and Highways Code* requires cities to file with the SCO on or before December 1 of each year, an Annual Street Report; and

Whereas the SCO is able to furnish and the city wishes to receive the services of the SCO to prepare its report; now therefore, in consideration of the following promises and conditions, the parties hereby agree that:

- I. For the fiscal year ended June 30, 2025, the SCO shall assist in the preparation of the city's report, a non-audit service.
- II. The report shall be in the form prescribed by the SCO.
- III. The report shall include a statement of all revenues and expenditures concerning city streets, and shall be prepared from the city's records made available to the SCO.
- IV. The report will be prepared from the city's unaudited records, and no determination shall be made at time of preparation regarding the accuracy of the records or the legality of the expenditures reported herein.
- V. The city understands that the report is subject to subsequent review by the SCO and exceptions may be taken at the time regarding the legality of expenditures contained in the report, the accuracy of the records from which the report was prepared, or the accuracy of the report.
- VI. The SCO will furnish sufficient personnel to complete the report on or before the report's filing due date of December 1, 2025, except that the SCO is excused from such date if the city's accounting records and personnel are not ready for the preparation of the report at the time scheduled by the SCO and the city, or if circumstances beyond the control of the parties prevent completion.
- VII. The city understands that this contract does not extend the filing due date of the report, and does not exempt the city from SCO's withholding of highway users tax fund allocations if the city is delinquent in filing the report, in accordance to Section 2155 of the California *Streets and Highways Code*.
- VIII. The city will designate a management-level individual to be responsible and accountable for overseeing the non-audit service.

- IX. The city will establish and monitor the performance of the non-audit service to ensure that it meets management's objectives.
- X. The city will make any decision that involves management functions related to the non-audit service and accept full responsibility for such decisions.
- XI. The city will evaluate the adequacy of the services performed and review the completed report for accuracy.
- XII. The SCO will furnish one copy of the completed report to the city.
- XIII. This contract is subject to the SCO's charges for services rendered, and such charges shall be computed in accordance with Sections 9210 and 9211 of the *State Administrative Manual*. Charges shall include both direct and indirect costs, and shall be expressed in dollars per unit time whenever possible.
- XIV. Except as provided in paragraph XV, the aggregate cost of services provided under this agreement shall not exceed \$2,800.
- XV. If unforeseen circumstances develop during the course of the SCO's preparation of the report and additional time is needed to complete preparation, the parties will confer; and if it is agreed that the preparation of the report is to continue, the SCO is to be compensated for any additional time required. In any case, the SCO shall be compensated for services rendered prior to the development of such unforeseen circumstances.
- XVI. The city will pay the SCO for services rendered in a timely manner (including additional time pursuant to paragraph XV) and hereby warrants that funds are available from which payment may be made.
- XVII. Either party may terminate this contract by giving seven days written notice. Notice is effective upon receipt. SCO will give notice to the city's contracting officer or authorized representative. Notice to SCO may be served by e-mail at AUDStreetsRoads@sco.ca.gov. During the seven-day period, the SCO may continue with the preparation of the report then in progress.

City of Gridley

MALIA M. COHEN
California State Controller

Signature:

Date:

Signature:

Date:

Printed Name:

KIMBERLY TARVIN, CPA
Chief, Division of Audits

Title:

Address:



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

ANNUAL STREET REPORT
CONTRACT INFORMATION SHEET

CITY NAME:

CITY FISCAL OFFICER:

Name: (Mr. or Ms.)

Title:

E-Mail Address:

Telephone Number:

PUBLIC WORKS DIRECTOR:

Name: (Mr. or Ms.)

Title:

E-Mail Address:

Telephone Number:

ANNUAL STREET REPORT CONTACT PERSON:

Name: (Mr. or Ms.)

Title:

E-Mail Address:

Telephone Number:

Mailing Address:

Billing Address (If different from mailing address):

THE ANNUAL STREET REPORT IS DUE ON **DECEMBER 1.**
AN SCO AUDITOR WILL CONTACT THE CITY TO SCHEDULE THE REPORT PREPARATION
UPON RECEIPT OF THE SIGNED CONTRACT.

Planning Commission Item #2
Staff Report

Date: July 21, 2025

To: Mayor and City Council

From: Christopher Smith, Planning Department

X	Regular
	Special
	Closed
	Emergency

Subject: **Tentative Subdivision Map No. 1-25;** Application for a tentative subdivision map to subdivide one parcel consisting of approximately 8.66 acres into forty-six (46) parcels for a residential housing development located on the south side of Little Avenue at 1370 Richins Avenue.
(APN: 021-250-008)

Recommendation

City staff respectfully recommends the City Council:

1. Adopt Resolution 2025-R-019: adopting the Categorical Exemption meeting the California Environmental Quality Act; and,
2. Approve TSM 1-25.

Summary

The applicant is submitting a tentative subdivision map to develop the property with single-family detached residential lots. The site had been approved for a tentative subdivision map twice before, both of which expired. The proposed map has not changed the number of lots since previously approved in 2021.

Discussion

Location and site characteristics

The subject site is located on the south side of Little Avenue at the southeast corner of Richins Avenue and Little Avenue. The site has an existing single-family home on the designated lot number 46 which will remain as a part of the development. The property is surrounded by urban residential to the north and rural residential and agriculture to the west, east, and south of the subject site. This parcel was annexed into the City at the time of the previous proposal; the City boundary surrounds and is contiguous to the site on the west, south, and east sides as well.

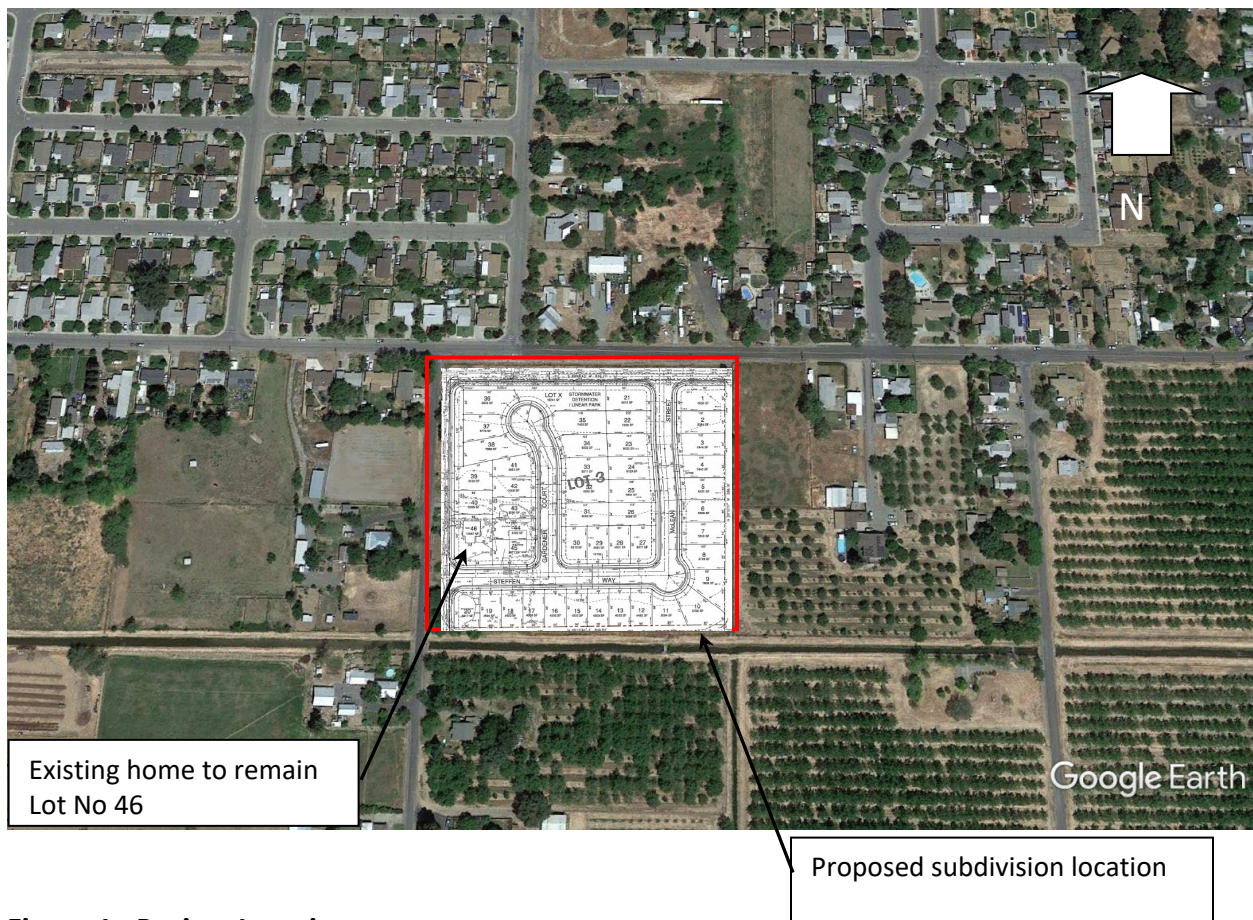


Figure 1: Project Location

The site is fairly flat having slopes of 1-2% generally across the site. The soils on the site are fairly equally divided as Live Oak Sandy Loam on the southerly one-half of the site and Gridley Taxadjunct on the north one-half of the site. The soils are classified as Prime Farmland if Irrigated and Farmland of Statewide Importance, respectively.

Project Description

The applicant proposes to subdivide the 8.66 acres into a 46-lot subdivision for single-family detached residences. The development has created lots ranging from 4,500 square feet to 6,680 square feet. The average lot size is 5,625 square feet overall. The existing home will be provided with 10,667 square feet. To facilitate the development to move forward, the applicant has applied to:

- Approve the Tentative Subdivision Map to create 46 single-family lots

Tentative Subdivision Map

The proposed map will subdivide the existing single parcel into 46 lots; one lot, lot 46, will accommodate the existing single-family home.

In 2005, the applicant had a map approved for a 26-lot subdivision as shown below in Figure 2. When the applicant came forward to discuss the site and what could be approved, staff

recommended and supported a map that provided smaller lots and a mixture of lot sizes to accommodate varying home sizes for the community. This was seen as an opportunity for the development to serve varying income levels, home types of single, family without children, and families, as well as “empty nesters”, our families who have raised their children and looking for a smaller home.

In addition, the City is also conscious of our obligation to provide land area to support the RHNA, Regional Housing Needs Allocation. This is a figure that is determined by the State and refined as to the number allotted to the city from BCAG – Butte County Association of Governments. The city is responsible for the provision of land area that can be developed into housing.

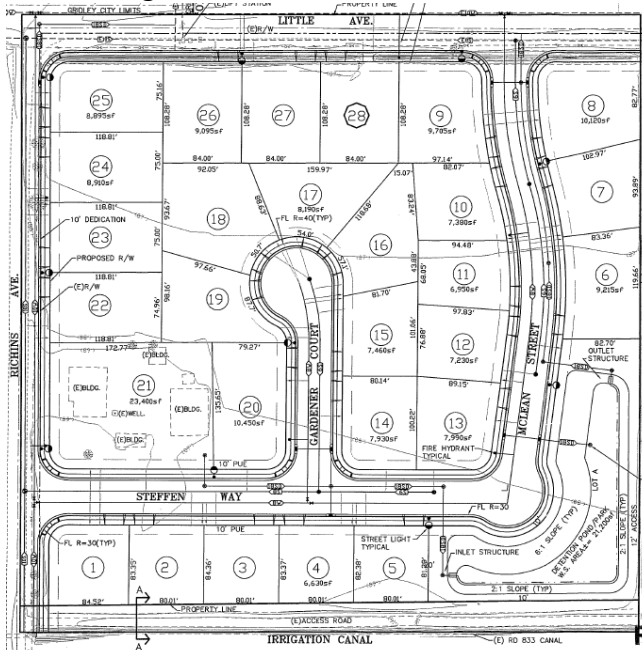


Figure 2: 2005 approved Tentative Map
26 lots

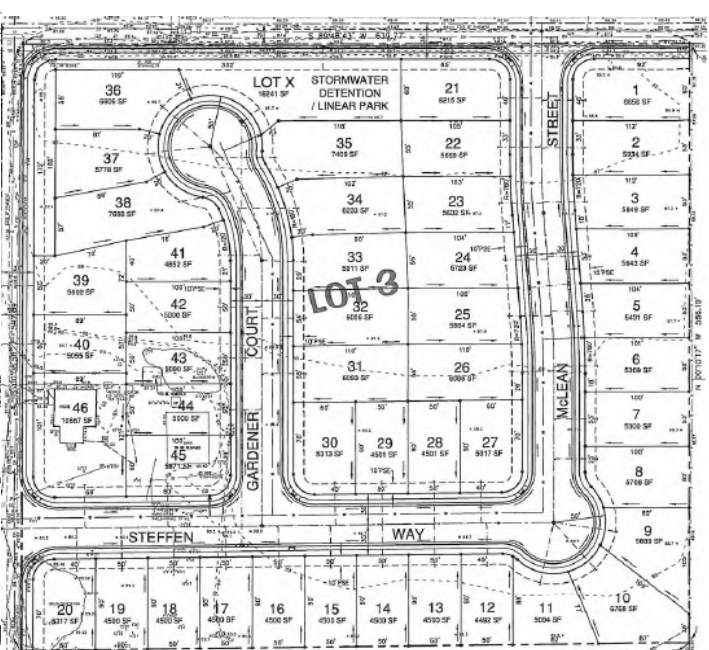


Figure 3: Proposed Tentative Map
46 lots

The proposed map provides an additional 20 parcels from the Housing Element analysis. The Housing Element Policy HP-2.4 also supports this development:

“The City will encourage infill development in meeting the housing needs required by expanding populations.”

The increase in units will also provide additional housing stock for both our local and regional needs due to the losses suffered by the Camp Fire, Bear Fire and others as fires continue to destroy homes each year.

This map expired again in September of 2024.

Utilities

The city can provide utilities to the development. The developer will be required to relocate the City lift station lying within the Little Avenue right-of-way that will be widened as a part of

the project. Additionally, the City will request an extension of our electric service from the site to Vermont Street.

Circulation

Access to the development will be from Richins Avenue and Little Avenue. The 2005 traffic analysis indicated that there were no significant impacts. The addition of 20 lots from that time may increase traffic somewhat. Lots are no longer fronting onto Little Avenue but faced inward. The circulation pattern will be from Little Avenue to Richins Avenue and into the subdivision to Steffen Way. The alternate would be to turn into the site from Little Avenue onto McLean/Steffen Way into the subdivision.

Drainage

Site drainage will be provided into a city storm drainage system. The site will provide “Lot X” as the detention basin and provide a pedestrian linear park from that lot to Richins Avenue. “Lot X” will also be the location of the sewer lift station moved from Little Avenue to that location. The detention basin is not large enough to provide a park/play area. Fees will be collected for development impact fees that can be used to acquire more parkland, enhance facilities that the city has, and to construct new facilities such as the fields in the industrial park. The proposed Tentative Map is shown on Figure 3 below:

Approval process

The approval process for subdivision maps is not discretionary. This project has already been evaluated by the Planning Commission and determined that the map meets the requirements of the Subdivision Map Act. The Planning Commission has recommended approval to the City Council.

Public Notice

A notice was posted in the Gridley Herald 20 days in advance of the City Council meeting, posted at City Hall, mailed 300 feet from the boundary of the property, made available at the Administration public counter, and placed on the City website for review. At the time this report was prepared no comments had been received.

Environmental Review

The proposed project falls into Categorical Exemption 15162 Subsequent EIRs and Negative Declarations, as there have not been substantial changes since the previous environmental review. At the time of this report, no significant impacts had been identified.

Attachments –

1. Exhibit A Conditions of Approval
2. Exhibit B TSM 1-25 Map
3. Resolution No. 2025-R-019

Exhibit A

Conditions of Approval TSM 1-25

1. The applicant/property owner shall file a Declaration of Acceptance of the Conditions of Approval within 30 days of approval for the Tentative Subdivision Map 1-25.
2. The Tentative Subdivision Map 1-25 shall expire after a three (3) year period. An extension may be requested no later than thirty (30) days before the map's expiration, as required under the Subdivision Map Act.
3. Use of the 8.66-acre project site is subject to all zoning regulations described in Gridley Municipal Code as applicable to "R-1 Single Family" residential zoning districts, the General Plan requirements, and all applicable requirements of the Gridley Municipal Code.
4. Physical development of the site shall conform to the design approved for Tentative Subdivision Map No. 1-25 and to all the conditions of approval of that Tentative Subdivision Map.
5. The project shall be required to pay all applicable impact fees for the development of the project.
6. Minor changes may be approved by the Planning Director upon receipt of a substantiated request by the applicant, or their respected designee. Prior to such approval, verification shall be made by each Department that the modification is consistent with the approved application. Changes deemed to be major or significant in nature shall require a formal application for amendment.
7. In the event of the discovery or recognition of prehistoric or historic resources in the area subject to development activity, there shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie similar resources and a professional archaeologist shall be consulted. Further, if human remains are discovered, the coroner of the county in which the remains are discovered must be contacted to determine that no investigation of the cause of death is required. If the County Coroner determines the remains to be Native American, the coroner shall contact the Native American heritage Commission within 24 hours.

Upon completion of the site examination, the archeologist shall submit a report to the City describing the significance of the finds and make recommendations as to its disposition. If human remains are unearthed during construction, the provisions of California Health and Safety Code Section 7050.5 shall apply. Under this section, no further disturbance of the remains shall occur until the County Coroner has made the necessary findings as to origin and disposition, pursuant to California Public Resources Code Section 5097.98. Mitigation measures, as recommended by the archaeologist and

approved by the City, shall be implemented prior to recommencement of construction activity within the 50-foot perimeter.

8. The project will implement all recommended mitigation measures identified within the Initial Study.
9. Prior to any site work, the project applicant shall submit a geotechnical report to the City, prepared by a certified engineering geologist. The project applicant shall incorporate any recommended measures into the final site plan.
10. Construction of the project shall comply with the requirements of the National Pollution Discharge Elimination (NPDES) Permit and obtain a WDID from the State of California in conformance with the General Construction Storm Water Permit; Storm Water Pollution Prevention Plan (SWPPP) shall be prepared prior to construction activities.
11. Upon commencement of grading and construction activities, the applicant shall implement measures to offset particulate matter and emissions from construction equipment as specified by Butte County Air Quality Management District.
12. Prior to recordation of a Final Map, the applicant shall submit for review and approval improvement plans that shall include, not limited to, details related to above and underground infrastructure; piping and service laterals, meters, drop inlets, manholes, curb, gutter, and sidewalk, roadway, pavement markings, lighting, hydrants, street signs, electrical, transformer pedestals, and any and all components as required by the City of Gridley, the City Engineer, the Utility Supervisor, and Public Works Manager. Plans shall meet all required state and local ordinances, regulations, and Public Works Development Standards. Omissions on the plans does not constitute approval for the omission. Plans shall be reviewed and approved by the City Engineer and the Gridley Municipal Services Division.
13. Prior to recordation of the final map, the applicant shall coordinate with the Butte County Assessor's Office and Tax Collector to segregate any assessments against the properties and pay any delinquent, current, and future taxes and/or assessments against the properties as required.
14. Dedicate and improve the south one-half of Little Avenue and the east side of Richins Avenue to the requirements of the City Engineer meeting the Public Works Standards.
15. Dedicate and improve the 60-foot wide local residential street right-of-way for the interior subdivision streets to the satisfaction of the City Engineer.
16. Dedicate a 10-foot public services easement adjacent to all public right-of-way frontages.

17. Prior to approval of a Final Map all the following requirements shall be completed:

- a. A registered engineer shall prepare and submit the following information to Gridley Department of Public Works for review and approval:
 - i. Calculations identifying the estimated rate of peak stormwater runoff from the cross area of the undivided site and abutting streets - as they exist at the time of approval of the tentative subdivision map- during currently adopted design storm event. The calculations shall be prepared in a manner consistent with the Gridley Public Works Construction Standards, and with standard engineering practice.
 - ii. Construction details, plans and profiles, typical sections, specifications, and maintenance plans for any proposed stormwater detention facilities to be constructed to serve the parcels created by this subdivision.
 - iii. An assessment against the development and individual parcels shall be established to fund the on-going maintenance costs associated with any approved stormwater detention facilities, lighting, landscape, CMU block wall or decorative concrete panel designed for sound reduction on southern border, and drainage components as determined by the City Engineer.
 - iv. Dedication of the area for the detention facilities, if required shall be made to the City of Gridley as a condition of recordation of the Final Map.
 - v. The design of surface detention facilities, if required, shall minimize use of the facility by mosquitoes· for breeding by incorporating some or all the features recommended by the Butte County Mosquito and Vector Control District.
 - vi. All drainage improvements shall be constructed in conformance with the Gridley Public Works Construction Standards, the City of Gridley Master Drainage Plan, and the details shown on approved construction plans. The developer shall have a registered engineer prepare and submit construction details, plans and profiles, typical sections, specifications, and cost estimates to the Department of Public Works for review and approval prior to the recordation of the Final Map.
 - vii. Telephone and cable television service shall be provided to all parcels in accordance with the Gridley Public Works Construction Standards, the Gridley Municipal Code, and the requirements of the agencies providing these services.

18. If any existing utilities must be relocated as a result of this subdivision, the agencies that own the facilities may require the developer to pay the cost of such relocations.
21. The lots shall be graded in conformance with the Gridley Public Works Construction Standards and the Gridley Municipal Code. The developer shall submit grading details, plans and specifications prepared by a registered engineer to the Department of Public Works for review and approval prior to the start of any work.
22. The Applicant shall hold harmless the City, its Council Members, its Planning Commission, officers, agents, employees, and representatives from liability for any award, damages, costs and fees incurred by the City and/or awarded to the plaintiff in an action challenging the validity of this tentative subdivision map or any environmental or other documentation related to approval of this tentative subdivision map.
23. The applicant shall erect a 6'-high solid CMU block wall or decorative concrete panel designed for sound reduction along southern border prior to the acceptance of the improvements for the project. Landscaping and irrigation shall be constructed on the north face of the wall to the satisfaction of the Planning Director.
24. Provide existing topo 100 feet beyond boundary and proposed finish grade contour lines both at 1 foot contour intervals.
25. Provide water distribution plan, proposed sizes and tie in locations.
26. Proposed fire hydrant locations.
27. Develop conceptual sewer plan, proposed sizes, slopes, sewer manholes and tie in locations.
28. Develop conceptual drainage plan, sizes and overland release and detention facilities.
29. Show public utility easements (PUE) on plan.
30. Provide Landscape Plan for frontage along Little Avenue and Richins Avenue.
31. Show all existing public facilities within the 100 feet beyond the site boundary.
32. Show proposed building setbacks for each parcel or provide a typical set back detail for interior lots and corner lots.
33. All overhead utilities shall be underground within subdivision.

34. Street lighting shall be provided along Little Avenue and Richins Avenue and within the interior of the subdivision. The lighting layout will be approved by the City and will be decorative acorn lighting.
35. Street names to be reviewed and approved by the Planning Department.
36. Electrical and Water service to be looped into existing infrastructure. The electrical service shall be extended for service to the development to Vermont Street. The applicant shall coordinate with Gridley Electric specific to the design needs.
37. Meet requirements of Reclamation District 833. The proposed development shall mitigate the increased stormwater runoff such that RD833 facilities and properties served by the District aren't impacted due to the increased stormwater. The water surface elevation within the District canals, and any existing flooding duration within the District shall not be increased.

This shall be demonstrated by a detailed engineering analysis of the development and District facilities, or by mitigating post-development flows to that of pre-development conditions for 10-, 25-, 50-, and 100-year events. Pre-development release rates shall take into consideration existing conditions within the District facilities. The increased volume of water also has a negative impact to downstream facilities and properties. The proposed development shall meter the 100-year post-development event volume such that the total volume of water discharged from the site over a 30-hour period is not increased as compared to the 100-year pre-development event volume.

Reclamation District 833 shall review and approve the detention facility design with costs being reimbursed by the developer to the District.

38. Provide detailed information related to "Lot X" able to be designed to meet the retention needs for storm water metering. Additional or alternate solutions may be considered.
39. The applicant may enter into a Subdivision Agreement in order to record the Final Map prior to all improvements constructed. The agreement is a document approved by Council resolution.
40. The applicant may request a grading permit and pay all applicable fees as reviewed and approved by the City Engineer.
41. The applicant/developer may develop the subdivision in phases at the review and approval of the city.
42. All costs related for plan review, design, and improvement plan approval by city staff and/or consultants will be the responsibility of the applicant/developer at actual cost.
43. Segregate any assessments against the properties.

44. Pay any delinquent taxes and/or assessments against the properties.
45. Note on a separate document to be recorded simultaneously with the Subdivision Map, the requirement for payment of school impact fees, as levied by the Gridley Unified School District in accordance with State legislation at the currently adopted rate per square foot of building area.
46. Note on a separate document to be recorded simultaneously with the Subdivision Map, the requirement for payment of drainage fees levied and must be paid to the City at the time a building permit is issued for development of each parcel.
47. Install street name signs, traffic control signs, pavement markings and barricades in conformance with the Gridley Public Works Construction Standards.
48. Dedication of the total area of the detention basin, park, open space, frontage improvements and all pedestrian connection trails, shall be made to the city of Gridley in fee title as a condition of recordation of the Final Map.
49. If surface detention facilities are proposed, the design shall minimize use of the facility by mosquitoes for breeding by incorporating some or all of the features recommended by the Butte County Mosquito and Vector Control District.
50. All homes on the new lots created by this subdivision shall be connected to the city sanitary sewer system prior to issuance of a Certificate of Occupancy.
51. All sanitation facilities shall be constructed in conformance with the Gridley Public Works Construction Standards and the Gridley Municipal Code. The developer shall submit construction details, plans and profiles, typical sections, specifications, and cost estimates that have been prepared by a registered engineer to the Department of Public Works for review and approval prior to start of any work.
52. All homes on the new lots created by this subdivision shall be connected to the municipal water system.
53. All water facilities shall be constructed in conformance with the Gridley Public Works Construction Standards and the Gridley Municipal Code. The developer shall submit construction details, plans and profiles, typical sections, specifications, and cost estimates that have been prepared by a registered engineer for review and approval prior to start of any work.
54. The City and the developer shall coordinate with RD 833 for the construction of appropriate decorative fencing to prohibit access to the canal.

55. The developer shall install fire hydrants in conformance with the requirements of the Uniform Fire Code as interpreted by the local division of the California Division of Forestry, the City of Gridley's contract Fire Department. The number of hydrants installed, as well as the exact location and size of each hydrant and the size of the water main serving each hydrant, shall be as specified in the Code.
56. All residential structures shall provide a fire sprinkler system that meets or exceeds the requirements of the Fire Code.
57. All residential units are required to provide an operable solar system sized to the expected demand. Plans showing the proposed solar design and technical data sheets shall be submitted to the Electric Department for review and approval prior to submitting to Butte County for a building permit.
58. Telephone, cable television and internet service shall be provided to all parcels in accordance with the Gridley Public Works Construction Standards, the Gridley Municipal Code, and the requirements of the agencies providing these services.
59. If any existing utilities must be relocated as a result of this subdivision, the agencies that own the facilities may require the developer to pay the cost of such relocations.
60. Telephone, cable television and internet service shall be provided to all parcels in accordance with the Gridley Public Works Construction Standards, the Gridley Municipal Code, and the requirements of the agencies providing these services.
61. If any existing utilities must be relocated as a result of this subdivision, the agencies that own the facilities may require the developer to pay the cost of such relocations.
62. The applicant/developer is responsible for paying all costs for a third-party inspector during the construction of any or all phases of development.
63. Fencing of the rear yards for the project shall occur at the time of housing construction and shall be the responsibility of the developer. Fencing throughout the project shall be consistent from lot to lot as reviewed and approved by the Planning Department.
64. Form an assessment district to cover on-going maintenance costs of facilities within the subdivision including landscaping areas and the drainage detention basin.
65. The Applicant shall hold harmless the City, its Council Members, its Planning Commission, officers, agents, employees, and representatives from liability for

any award, damages, costs and fees incurred by the City and/or awarded to the plaintiff in an action challenging the validity of this tentative subdivision map or any environmental or other documentation related to approval of this tentative subdivision map.

66. Construction practices shall conform to the standards adopted by the Butte County Air Quality Management District, which requires that 1) fugitive dust emissions related to construction of public improvements for the subdivision be controlled at all times, 2) all clearing, grading, earth moving or excavation activities must cease during periods of wind exceeding 15 miles per hour averaged over one hour, and 3) large off-road diesel equipment used for grading at the site must be maintained in good operating conditions.
67. Note on a document to be recorded concurrently with the Final Map that agricultural spraying and keeping of livestock may occur on surrounding properties and that such agricultural uses are permitted by the zoning of those properties and will not be abated unless the zoning changes.

**A RESOLUTION OF THE GRIDLEY CITY COUNCIL APPROVING TENTATIVE SUBDIVISION MAP
NO. 1-25 TO SUBDIVIDE ONE PARCEL CONSISTING OF APPROXIMATELY
8.66 ACRES INTO FORTY-SIX (46) PARCELS LOCATED AT THE SOUTH SIDE OF
LITTLE AVENUE (APN: 021-250-008)**

WHEREAS, the City of Gridley has received an application to consider a Tentative Subdivision Map request to subdivide an approximately 8.66-acre parcel to create forty-six (46) lots for single-family residential use on property located on the south side of Little Avenue in the manner illustrated on a tentative parcel map received by the City (Exhibit "A" attached); and,

WHEREAS, the subject property consists of one parcel designated as Assessor's Parcel Number 021-250-008 and the proposed Tentative Subdivision Map has been assigned the file number Tentative Subdivision Map No. 1-25 (TSM 1-25); and,

WHEREAS, the Planning Commission considered Tentative Subdivision Map No. 1-25 at a noticed regular public hearing on July 21, 2025, considered the staff report regarding the proposed tentative map design and required public improvements, and acknowledged that there was no public comment related to the project recommending the City Council approve the Tentative Map 1-25; and,

WHEREAS, the General Plan designation is Residential, Medium Density in accordance with 2021-R-029; and,

WHEREAS, the proposed zoning designation for the subject parcel is R-1 Single Family Residential District in accordance with Ordinance No. 834-2021; and,

WHEREAS, the City Council finds that Tentative Subdivision Map No. 1-25, including the proposed use and improvements to the property, is consistent with Gridley's General Plan including the policies contained therein as well as the land use diagram, and also finds that based on the conditions of approval, the site is physically suitable for development as proposed; and,

WHEREAS, the City Council determined that the described tentative map and its design and improvements are consistent with Gridley's General Plan and Zoning Ordinance of the Gridley Municipal Code, Chapter 17, regulations and policies regarding the use and division of land; and,

WHEREAS, the City Council, having further considered the Categorical Exemption prepared for the project; and,

WHEREAS, the City Council finds that this tentative subdivision map complies with all State and City regulations governing the division of land, and that division and

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development of the property in the manner set forth on the tentative parcel map as shown on Exhibit A will not unreasonably interfere with the free and complete use of existing public and/or public utility easements or rights-of-way.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRIDLEY,
AS FOLLOWS:**

SECTION 1: FINDINGS FOR APPROVAL OF THE TENTATIVE SUBDIVISION MAP

1. That the proposed project is consistent with the City of Gridley General Plan and does not exceed density and intensity standards within the Land Use Element, as amended.

The Residential, Medium Density residential standards of the City's General Plan establish a maximum density of eight units per acre. The proposed project has a gross density of approximately 5.3 dwelling units per acre of residentially developed land.

2. That the site is physically suitable for the type of development proposed.
The proposed residential use is consistent with adjacent residential uses. No hazards exist on the site which would make the property inappropriate for people or residential uses.

3. That the site is physically suited for the density of development.

The proposed R-1, Single-Family Residential zoning district allows for the development of single-family residential dwelling units. The proposed Tentative Subdivision Map has a proposed density of 5.3 dwelling units per gross acre which conforms to the requirements of the R-1 zone district and the Residential, Medium Density General Plan land use designation. The project site has slopes of less than 2%, it is not within a 100-year flood plain and can accommodate drainage facilities necessary for the proposed density, it has adequate access to public roads which have the capacity to serve the development.

4. That the designs of the subdivision or the proposed improvements are not likely to cause serious public health problems.

As conditioned, the project will provide adequate sanitary sewer, a public water supply, storm drainage facilities, and roadway and construction conditions and mitigation measures. Standard subdivision improvements will include fire hydrants, streetlights and roadways designed for residential traffic.

5. The design of the project will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed project.

The project will not impact or conflict with any easements or land acquired by the public.

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6. The Tentative Subdivision Map conforms to the provisions of the Subdivision Map Act and to the provisions of Gridley Municipal Code Title 16 - Subdivisions (GMC Section 16.15).

The tentative subdivision map complies with the required form and content of tentative subdivision maps, as set forth by the city and based upon the provisions of Title 16 of the Gridley Municipal Code.

7. The tentative parcel map is consistent with good planning and engineering practice (GMC Section 16.15).

The City Engineer has reviewed the tentative subdivision map, and has attached conditions that have been incorporated within the Conditions of Approval. All lots comply with the requirements in the City of Gridley Land Division Standards and Improvement Standards.

8. The project will not be harmful to the public health and safety or the general welfare of the persons residing or working in the area.

The project applicant proposes to develop the lots for residential uses. This type of development is not considered potentially harmful to the public health and safety or to the general welfare of persons residing in the vicinity.

9. The project will not result in substantial environmental damage.

The tentative subdivision map would not result in substantial damage to the environment. Development proposed under the subdivision map would be consistent with the type of development in the vicinity, and would not substantially damage the physical environment of the area. The site is located within the Sphere of Influence, within the city boundary, and has been previously evaluated and approved for development.

SECTION 2: THE CITY COUNCIL OF THE CITY OF GRIDLEY:

Approves Tentative Subdivision Map 1-25 as described subject to the following conditions of approval:

1. The applicant/property owner shall file a Declaration of Acceptance of the Conditions of Approval within 30 days of approval for the Tentative Subdivision Map 1-25.
2. The Tentative Subdivision Map 1-25 shall expire after a three (3) year period. An extension may be requested no later than thirty (30) days before the map's expiration, as required under the Subdivision Map Act.
3. Use of the 8.66-acre project site is subject to all zoning regulations described in Gridley Municipal Code as applicable to "R-1 Single Family" residential zoning districts, the General Plan requirements, and all applicable requirements of the Gridley Municipal Code.
4. Physical development of the site shall conform to the design approved for Tentative Subdivision Map No. 1-25 and to all the conditions of approval of that Tentative Subdivision Map.
5. The project shall be required to pay all applicable impact fees for the development of the project.
6. Minor changes may be approved by the Planning Director upon receipt of a substantiated request by the applicant, or their respected designee. Prior to such approval, verification shall be made by each Department that the modification is consistent with the approved application. Changes deemed to be major or significant in nature shall require a formal application for amendment.
7. In the event of the discovery or recognition of prehistoric or historic resources in the area subject to development activity, there shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie similar resources and a professional archaeologist shall be consulted. Further, if human remains are discovered, the coroner of the county in which the remains are discovered must be contacted to determine that no investigation of the cause of death is required. If the County Coroner determines the remains to be Native American, the coroner shall contact the Native American heritage Commission within 24 hours.

Upon completion of the site examination, the archeologist shall submit a report to the City describing the significance of the finds and make recommendations as to its disposition. If human remains are unearthed during construction, the provisions of California Health and Safety Code Section 7050.5 shall apply. Under this section, no further disturbance of the remains shall occur until the County Coroner has made the necessary

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findings as to origin and disposition, pursuant to California Public Resources Code Section 5097.98. Mitigation measures, as recommended by the archaeologist and approved by the City, shall be implemented prior to recommencement of construction activity within the 50-foot perimeter.

8. The project will implement all recommended mitigation measures identified within the Initial Study.
9. Prior to any site work, the project applicant shall submit a geotechnical report to the City, prepared by a certified engineering geologist. The project applicant shall incorporate any recommended measures into the final site plan.
10. Construction of the project shall comply with the requirements of the National Pollution Discharge Elimination (NPDES) Permit and obtain a WDID from the State of California in conformance with the General Construction Storm Water Permit; Storm Water Pollution Prevention Plan (SWPPP) shall be prepared prior to construction activities.
11. Upon commencement of grading and construction activities, the applicant shall implement measures to offset particulate matter and emissions from construction equipment as specified by Butte County Air Quality Management District.
12. Prior to recordation of a Final Map, the applicant shall submit for review and approval improvement plans that shall include, not limited to, details related to above and underground infrastructure; piping and service laterals, meters, drop inlets, manholes, curb, gutter, and sidewalk, roadway, pavement markings, lighting, hydrants, street signs, electrical, transformer pedestals, and any and all components as required by the City of Gridley, the City Engineer, the Utility Supervisor, and Public Works Manager. Plans shall meet all required state and local ordinances, regulations, and Public Works Development Standards. Omissions on the plans does not constitute approval for the omission. Plans shall be reviewed and approved by the City Engineer and the Gridley Municipal Services Division.
13. Prior to recordation of the final map, the applicant shall coordinate with the Butte County Assessor's Office and Tax Collector to segregate any assessments against the properties and pay any delinquent, current, and future taxes and/or assessments against the properties as required.
14. Dedicate and improve the south one-half of Little Avenue and the east side of Richins Avenue to the requirements of the City Engineer meeting the Public Works Standards.
15. Dedicate and improve the 60--foot wide local residential street right-of-way for the interior subdivision streets to the satisfaction of the City Engineer.

16. Dedicate a 10-foot public services easement adjacent to all public right-of-way frontages.

17. Prior to approval of a Final Map all the following requirements shall be completed:

- a. A registered engineer shall prepare and submit the following information to Gridley Department of Public Works for review and approval:
 - i. Calculations identifying the estimated rate of peak stormwater runoff from the cross area of the undivided site and abutting streets - as they exist at the time of approval of the tentative subdivision map- during currently adopted design storm event. The calculations shall be prepared in a manner consistent with the Gridley Public Works Construction Standards, and with standard engineering practice.
 - ii. Construction details, plans and profiles, typical sections, specifications, and maintenance plans for any proposed stormwater detention facilities to be constructed to serve the parcels created by this subdivision.
 - iii. An assessment against the development and individual parcels shall be established to fund the on-going maintenance costs associated with any approved stormwater detention facilities, lighting, landscape, CMU block wall or decorative concrete panel designed for sound reduction on southern border, and drainage components as determined by the City Engineer.
 - iv. Dedication of the area for the detention facilities, if required shall be made to the City of Gridley as a condition of recordation of the Final Map.
 - v. The design of surface detention facilities, if required, shall minimize use of the facility by mosquitoes· for breeding by incorporating some or all the features recommended by the Butte County Mosquito and Vector Control District.
 - vi. All drainage improvements shall be constructed in conformance with the Gridley Public Works Construction Standards, the City of Gridley Master Drainage Plan, and the details shown on approved construction plans. The developer shall have a registered engineer prepare and submit construction details, plans and profiles, typical sections, specifications, and cost estimates to the Department of Public Works for review and approval prior to the recordation of the Final Map.
 - vii. Telephone and cable television service shall be provided to all parcels in

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accordance with the Gridley Public Works Construction Standards, the Gridley Municipal Code, and the requirements of the agencies providing these services.

18. If any existing utilities must be relocated as a result of this subdivision, the agencies that own the facilities may require the developer to pay the cost of such relocations.
21. The lots shall be graded in conformance with the Gridley Public Works Construction Standards and the Gridley Municipal Code. The developer shall submit grading details, plans and specifications prepared by a registered engineer to the Department of Public Works for review and approval prior to the start of any work.
22. The Applicant shall hold harmless the City, its Council Members, its Planning Commission, officers, agents, employees, and representatives from liability for any award, damages, costs and fees incurred by the City and/or awarded to the plaintiff in an action challenging the validity of this tentative subdivision map or any environmental or other documentation related to approval of this tentative subdivision map.
23. The applicant shall erect a 6'-high solid CMU block wall or decorative concrete panel designed for sound reduction along southern border prior to the acceptance of the improvements for the project. Landscaping and irrigation shall be constructed on the north face of the wall to the satisfaction of the Planning Director.
24. Provide existing topo 100 feet beyond boundary and proposed finish grade contour lines both at 1 foot contour intervals.
25. Provide water distribution plan, proposed sizes and tie in locations.
26. Proposed fire hydrant locations.
27. Develop conceptual sewer plan, proposed sizes, slopes, sewer manholes and tie in locations.
28. Develop conceptual drainage plan, sizes and overland release and detention facilities.
29. Show public utility easements (PUE) on plan.
30. Provide Landscape Plan for frontage along Little Avenue and Richins Avenue.
31. Show all existing public facilities within the 100 feet beyond the site boundary.
32. Show proposed building setbacks for each parcel or provide a typical set back detail for interior lots and corner lots.

- 33. All overhead utilities shall be underground within subdivision.
- 34. Street lighting shall be provided along Little Avenue and Richins Avenue and within the interior of the subdivision. The lighting layout will be approved by the City and will be decorative acorn lighting.
- 35. Street names to be reviewed and approved by the Planning Department.
- 36. Electrical and Water service to be looped into existing infrastructure. The electrical service shall be extended for service to the development to Vermont Street. The applicant shall coordinate with Gridley Electric specific to the design needs.
- 37. Meet requirements of Reclamation District 833. The proposed development shall mitigate the increased stormwater runoff such that RD833 facilities and properties served by the District aren't impacted due to the increased stormwater. The water surface elevation within the District canals, and any existing flooding duration within the District shall not be increased.

This shall be demonstrated by a detailed engineering analysis of the development and District facilities, or by mitigating post-development flows to that of pre-development conditions for 10-, 25-, 50-, and 100-year events. Pre-development release rates shall take into consideration existing conditions within the District facilities. The increased volume of water also has a negative impact to downstream facilities and properties. The proposed development shall meter the 100-year post-development event volume such that the total volume of water discharged from the site over a 30-hour period is not increased as compared to the 100-year pre-development event volume.

Reclamation District 833 shall review and approve the detention facility design with costs being reimbursed by the developer to the District.

- 38. Provide detailed information related to "Lot X" able to be designed to meet the retention needs for storm water metering. Additional or alternate solutions may be considered.
- 39. The applicant may enter into a Subdivision Agreement in order to record the Final Map prior to all improvements constructed. The agreement is a document approved by Council resolution.
- 40. The applicant may request a grading permit and pay all applicable fees as reviewed and approved by the City Engineer.
- 41. The applicant/developer may develop the subdivision in phases at the review and approval of the city.
- 42. All costs related for plan review, design, and improvement plan approval by city staff

and/or consultants will be the responsibility of the applicant/developer at actual cost.

43. Segregate any assessments against the properties.
44. Pay any delinquent taxes and/or assessments against the properties.
45. Note on a separate document to be recorded simultaneously with the Subdivision Map, the requirement for payment of school impact fees, as levied by the Gridley Unified School District in accordance with State legislation at the currently adopted rate per square foot of building area.
46. Note on a separate document to be recorded simultaneously with the Subdivision Map, the requirement for payment of drainage fees levied and must be paid to the City at the time a building permit is issued for development of each parcel.
47. Install street name signs, traffic control signs, pavement markings and barricades in conformance with the Gridley Public Works Construction Standards.
48. Dedication of the total area of the detention basin, park, open space, frontage improvements and all pedestrian connection trails, shall be made to the city of Gridley in fee title as a condition of recordation of the Final Map.
49. If surface detention facilities are proposed, the design shall minimize use of the facility by mosquitoes for breeding by incorporating some or all of the features recommended by the Butte County Mosquito and Vector Control District.
50. All homes on the new lots created by this subdivision shall be connected to the city sanitary sewer system prior to issuance of a Certificate of Occupancy.
51. All sanitation facilities shall be constructed in conformance with the Gridley Public Works Construction Standards and the Gridley Municipal Code. The developer shall submit construction details, plans and profiles, typical sections, specifications, and cost estimates that have been prepared by a registered engineer to the Department of Public Works for review and approval prior to start of any work.
52. All homes on the new lots created by this subdivision shall be connected to the municipal water system.
53. All water facilities shall be constructed in conformance with the Gridley Public Works Construction Standards and the Gridley Municipal Code. The developer shall submit construction details, plans and profiles, typical sections, specifications, and cost estimates that have been prepared by a registered engineer for review and approval prior to start of any work.

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54. The City and the developer shall coordinate with RD 833 for the construction of appropriate decorative fencing to prohibit access to the canal.
55. The developer shall install fire hydrants in conformance with the requirements of the Uniform Fire Code as interpreted by the local division of the California Division of Forestry, the City of Gridley's contract Fire Department. The number of hydrants installed, as well as the exact location and size of each hydrant and the size of the water main serving each hydrant, shall be as specified in the Code.
56. All residential structures shall provide a fire sprinkler system that meets or exceeds the requirements of the Fire Code.
57. All residential units are required to provide an operable solar system sized to the expected demand. Plans showing the proposed solar design and technical data sheets shall be submitted to the Electric Department for review and approval prior to submitting to Butte County for a building permit.
58. Telephone, cable television and internet service shall be provided to all parcels in accordance with the Gridley Public Works Construction Standards, the Gridley Municipal Code, and the requirements of the agencies providing these services.
59. If any existing utilities must be relocated as a result of this subdivision, the agencies that own the facilities may require the developer to pay the cost of such relocations.
60. Telephone, cable television and internet service shall be provided to all parcels in accordance with the Gridley Public Works Construction Standards, the Gridley Municipal Code, and the requirements of the agencies providing these services.
61. If any existing utilities must be relocated as a result of this subdivision, the agencies that own the facilities may require the developer to pay the cost of such relocations.
62. The applicant/developer is responsible for paying all costs for a third-party inspector during the construction of any or all phases of development.
63. Fencing of the rear yards for the project shall occur at the time of housing construction and shall be the responsibility of the developer. Fencing throughout the project shall be consistent from lot to lot as reviewed and approved by the Planning Department.
64. Form an assessment district to cover on-going maintenance costs of facilities within the subdivision including landscaping areas and the drainage detention basin.
65. The Applicant shall hold harmless the City, its Council Members, its Planning

Commission, officers, agents, employees, and representatives from liability for any award, damages, costs and fees incurred by the City and/or awarded to the plaintiff in an action challenging the validity of this tentative subdivision map or any environmental or other documentation related to approval of this tentative subdivision map.

66. Construction practices shall conform to the standards adopted by the Butte County Air Quality Management District, which requires that 1) fugitive dust emissions related to construction of public improvements for the subdivision be controlled at all times, 2) all clearing, grading, earth moving or excavation activities must cease during periods of wind exceeding 15 miles per hour averaged over one hour, and 3) large off-road diesel equipment used for grading at the site must be maintained in good operating conditions.
67. Note on a document to be recorded concurrently with the Final Map that agricultural spraying and keeping of livestock may occur on surrounding properties and that such agricultural uses are permitted by the zoning of those properties and will not be abated unless the zoning changes.

MM 1.1 In conjunction with the submittal of improvement plans, the applicant shall submit a lighting plan for the review and approval of the Planning Department. The lighting plan shall indicate the provision of shielding for all street light fixtures to avoid nighttime lighting spillover effects on adjacent land uses and nighttime sky conditions. In addition, the lighting plan shall address limiting light trespass and glare through the use of shielding and directional lighting methods including, but not limited to, fixture location, design, and height as required by the Gridley Municipal Code.

MM 3.1 The project shall implement the following measures during construction:

Use adequate fugitive dust control measures for all construction activities during all phases of construction.

Provide energy-efficient lighting and process systems.

No open burning of vegetative material on the project site.

Use temporary traffic control as appropriate at all stages of construction.

Design streets to maximize pedestrian access to transit stops, where feasible.

MM 3.2 Construction dust and equipment exhaust emission measures shall be implemented:

Water all active construction sites at least twice daily.

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Use chemical stabilizers on inactive construction areas (disturbed lands within construction projects that are unused for at least four consecutive days).

On-site vehicle limited to a speed of 15 mph on unpaved roads.

Construction equipment exhaust emissions shall not exceed BCAQMD Rule 201, Visible Emission limitations.

The primary contractor shall be responsible for ensuring that all construction equipment is properly tuned and maintained.

Utilize existing power sources (e.g., power poles) or clean fuel generator rather than temporary power generators.

Minimize equipment idling time to 10 minutes.

Land clearing, grading, earthmoving or excavation activities suspended when winds exceed 20 miles per hour.

Non-toxic binders (e. g. latex acrylic copolymer) should be applied to exposed areas after cut and fill operations.

Plant vegetation ground cover in disturbed areas as soon as possible.

Cover inactive storage piles.

Paved streets adjacent to the development site should be swept or washed at the end of the day as necessary to remove excessive accumulations of silt and/or mud which may have accumulated as a result of activities on the development site.

Post publicly visible sign with the telephone number and person to contact regarding dust complaints. This person shall respond and take corrective action within 24 hours. The telephone number of the BCAQMD shall also be visible to ensure compliance with BCAQMD Rule 201 and 207 (Nuisance and Fugitive Dust Emissions).

Prior to final occupancy, the applicant demonstrates that all ground surfaces are covered or treated sufficiently to minimize fugitive dust emissions.

MM 4.1 The project applicant shall conduct preconstruction surveys to determine if Sanford's arrowhead, Giant garter snake, Northern harrier, Swainson's hawk, Greater sandhill crane, Burrowing owl, and Silver-haired bat exist on the site. Should any of the listed be discovered, the applicant shall obtain the necessary approvals for Incidental Take from the CDFW.

Burrowing Owl

Within 14 days prior to any ground disturbing activities for each phase of construction, the project applicant shall retain a qualified biologist to conduct a preconstruction survey of the site, any off-site improvement areas, and all publicly accessible potential burrowing owl habitat within 500 feet of the project construction footprint. The survey shall be performed in accordance with the applicable sections CDFW Staff Report on Burrowing Owl Mitigation. The qualified biologist shall be familiar with burrowing owl identification, behavior, and biology, and shall meet the minimum qualifications for such preconstruction survey. If the survey does not identify any nesting burrowing owls on the site, further mitigation is not required for that phase unless activity ceases for a period in excess of 14 days in which case the survey requirements and obligations shall be repeated. If active burrowing owl dens are found within the survey area in an area where disturbance would occur, the project applicant shall implement measures as determined by the qualified biologist. During the breeding season (February 1 through August 31), the following measures will be implemented:

Disturbance-free buffers will be established around the active burrow. During the peak of the breeding season, between April 1 and August 15, a minimum of a 500-foot buffer will be maintained. Between August 16 and March 31, a minimum of a 150-foot buffer will be maintained. The qualified biologist will determine, in consultation with the City of Gridley Planning Division and CDFW, if the buffer should be increased or decreased based on-site conditions, breeding status, and non-project-related disturbance at the time of construction. Monitoring of the active burrow will be conducted by the qualified biologist during construction on a weekly basis to verify that no disturbance is occurring. After the qualified biologist determines that the young have fledged and are foraging independently, or that breeding attempts were not successful, the owls may be excluded in accordance with the non-breeding season measures below. Daily monitoring will be conducted for one week prior to exclusion to verify the status of owls at the burrow.

During the non-breeding season (September 1 to January 31), owls occupying burrows that cannot be avoided will be passively excluded consistent with Appendix E of the 2012 CDFW Staff Report:

Within 24 hours prior to installation of one-way doors, a survey will be conducted to verify the status of burrowing owls on the site.

Passive exclusion will be conducted using one-way doors on all burrows suitable for burrowing owl occupation.

One-way doors shall be left in place a minimum of 48 hours to ensure burrowing owls have

left the burrow before excavation.

While the one-way doors are in place, the qualified biologist will visit the site twice daily to monitor for evidence that owls are inside and are unable to escape. If owls are trapped, the device shall be reset and another 48-hour period shall begin. After a minimum of 48 hours, the one-way doors will be removed and the burrows will be excavated using hand tools to prevent reoccupation. The use of a pipe is recommended to stabilize the burrow to prevent collapsing until the entire burrow has been excavated and it can be determined that no owls reside inside the burrow. After the owls have been excluded, the excavated burrow locations will be surveyed a minimum of three times over two weeks to detect burrowing owls if they return. The site will be managed to prevent

reoccupation of burrowing owls (e.g., disking, grading, manually collapsing burrows) until development is complete. If burrowing owls are found outside the project site during preconstruction surveys, the qualified biologist shall evaluate the potential for disturbance. Passive exclusion of burrowing owls shall be avoided to the maximum extent feasible where no ground disturbance will occur. In cases where ground disturbance occurs within the no-disturbance buffer of an occupied burrow, the qualified biologist shall determine in consultation with the City of Gridley Planning Division and CDFW whether reduced buffers, additional monitoring, or passive exclusion is appropriate.

Compensatory Mitigation, if Active Owl Dens are Present: If active burrowing owl dens are present and the project would impact active dens, the project applicant shall provide compensatory mitigation in accordance with the requirements of the CDFW. Such mitigation shall include the permanent protection of land, which is deemed to be suitable burrowing owl habitat through a conservation easement deeded to a non-profit conservation organization or public agency with a conservation mission, or the purchase of burrowing owl conservation bank credits from a CDFW-approved burrowing owl conservation bank. In determining the location and amount of acreage required for permanent protection, the project applicant, in conjunction with the City of Gridley

Planning Division, shall seek lands that include the same types of vegetation communities and fossorial mammal populations found in the lost foraging habitat.

Swainson's Hawk

If project construction plans require ground disturbance that represents potential nesting habitat for migratory birds or other raptors including Swainson's hawk, the project contractor shall initiate such activity between September 1st and January 31st, outside the bird nesting season, to the extent feasible. If tree removal must occur during the avian breeding season (February 1st to August 31st), a qualified biologist shall conduct a survey

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for ground-nesting birds. The survey shall be conducted 14 days prior to the commencement of construction and include all potential ground-nesting sites and trees and shrubs within 75 feet of the entire project site. The findings of the survey shall be submitted to the City of Gridley Planning Department. If nesting passerines or raptors are identified during the survey within 75 feet of the project site, a 75-foot buffer around the ground nest or nest tree shall be fenced with orange construction fencing. If the ground nest or nest tree is located off the project site, then the buffer shall be demarcated as per above. The size of the buffer may be altered if a qualified biologist conducts behavioral observations and determines the nesting passerines are well acclimated to disturbance. If acclimation has occurred, the biologist shall prescribe a modified buffer that allows sufficient room to prevent undue disturbance/harassment to the nesting birds. Construction or earth-moving activity shall not occur within the established buffer until a qualified biologist

has determined that the young have fledged (that is, left the nest) and have attained sufficient flight skills to avoid project construction zones, which typically occurs by July 15th. However, the date may be earlier or later, and would have to be determined by a qualified biologist. If a qualified biologist is not hired to watch the nesting passerines, then the buffers shall be maintained in place through the month of August and work within the buffer may commence September 1st.

Prior to the issuance of a grading permit, the dedication of land suitable for replacement Swainson's hawk foraging habitat shall be dedicated by the project applicant at a ratio of 1:1 for all existing un-paved areas within the project site. The location of the replacement foraging habitat shall be coordinated with, and approved by, the CDFW, and shall be acquired prior to development of the project site. Proof of CDFW approval shall be submitted to the City of Gridley Planning Department.

Giant Garter Snake

During the pre-construction survey, the biologist shall investigate the site for habitat or evidence of the Giant Garter Snake on or proximate to the subject site. Protective fencing shall be erected on the north, east, and south property lines to mitigate migration into the site during construction.

MM 4.2 The biologist shall submit a report documenting the site investigation and findings prior to the onset of construction activities. This includes any installation of bmps require by the General Construction Permit, clearing or grubbing, demolition of existing structures and/or rough grading. The report shall be submitted to the City of Gridley Planning Department for review and acceptance of the findings of the biologic site review.

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MM 5.1 Prior to the commencement of construction, an archaeologist meeting the Secretary of the Interior's Professional Qualification Standards for prehistoric and historic archaeologist for the purpose of recording, protecting, or curating the discovery as appropriate shall be retained to conduct a survey of the site and a thorough records search. The archaeologist shall be required to submit to the Planning Department for review and approval a report of the findings and method of curation or protection of the resources. During construction, the developer shall submit plans to the Planning Department for review and approval which indicate (via notation on the improvement plans) that if historic and/or cultural resources are encountered during site grading or other site work, all such work shall be halted immediately within 100 feet and the developer shall immediately notify the Planning Department of the discovery. In such case, the developer shall be required, at their own expense, to retain the services of a qualified archaeologist

MM 5.2 If human remains, or remains that are potentially human, are found during construction, a professional archeologist shall ensure reasonable protection measures are taken to protect the discovery from disturbance. The archaeologist shall notify the Butte County Coroner (per §7050.5 of the State Health and Safety Code). The provisions of §7050.5 of the California Health and Safety Code, §5097.98 of the California Public Resources Code, and Assembly Bill 2641 will be implemented. If the Coroner determines the remains are Native American and not the result of a crime scene, then the coroner will notify the Native American Heritage Commission (NAHC), which then will designate a Native American Most Likely Descendant (MLD) for the project (§5097.98 of the Public Resources Code). The designated MLD will have 48 hours from the time access to the property is granted to make recommendations concerning treatment of the remains. If the applicant does not agree with the recommendations of the MLD, the NAHC can mediate (§5097.91 of the Public Resources Code). If an agreement is not reached, the qualified archaeologist or most likely descendent must rebury the remains where they will not be further disturbed (§5097.98 of the Public Resources Code). This will also include either recording the site with the NAHC or the appropriate Information Center, using an open space or conservation zoning designation or easement, or recording a reinternment document with the county in which the property is located (AB 2641). Work cannot resume within the no-work radius until the City of Gridley, through consultation as appropriate, determine that the treatment measures have been completed to their satisfaction.

MM 8.1 Prior to the start of construction activities, the project applicant shall submit a construction equipment inventory list to the City Engineer demonstrating compliance with U.S. EPA CARB, and BCAQD requirements. The list shall be updated if additional equipment will be used to ensure the compliance. The use of alternatively fueled construction equipment, such as hybrid electric or natural gas-powered equipment, would also be acceptable, given that such technologies are implemented to a level sufficient to achieve similar emission reductions.

MM 8.2 Prior to the issuance of building permits, the project applicant/developer shall submit a Landscaping Plan for review and approval by the Planning Department. The

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Landscaping Plan shall be prepared to reflect the design for the linear park, detention basin park, and play area. The design shall also provide a subdivision tree planting plan.

MM 14.1 Project noise-generating construction activities shall occur within the hours identified in Gridley Municipal Code.

MM 14.2 All noise-producing project equipment and vehicles using internal-combustion engines shall be equipped with manufacturers-recommended mufflers and be maintained in good working condition.

MM 14.3 All mobile or fixed noise-producing equipment used on the project site that are regulated for noise by Title 7 of the Gridley Municipal Code, §17.74.030 and shall comply with such regulations while in the course of project activity.

MM 14.4 Electrically powered equipment shall be used, where feasible, instead of pneumatic or internal-combustion-powered equipment.

MM 14.5 Material stockpiles and mobile equipment staging, parking, and maintenance areas shall be located as far as practicable from noise-sensitive receptors.

MM 14.6 Project area and site access road speed limits shall be established by conditions of approval to the project and enforced during the construction period in conjunction with MM 14.8 below.

MM 14.7 Nearby residences shall be notified of construction schedules by posting a minimum of 48 hours in advance, so that arrangements can be made, if desired, to limit their exposure to short-term increases in ambient noise levels.

MM 14.8 The engineer shall coordinate with the City of Gridley to potentially employ the design of traffic calming measures on Little Avenue in order to ensure speed reductions due to the excessively long, straight alignment that will be conducive to greater speeds and potentially an increase in general traffic ambient noise. No design shall be constructed until approved by the City of Gridley.

**RESOLUTION NO.
2025-R-019**

I HEREBY CERTIFY that the foregoing resolution was duly introduced and passed at the regular City Council meeting of the City of Gridley held on the 21st day of July 2025, by the following vote:

AYES: COUNCILMEMBERS

NOES: COUNCILMEMBERS

ABSTAIN: COUNCILMEMBERS

ABSENT: COUNCILMEMBERS

ATTEST: _____
Elisa Arteaga, City Clerk

APPROVE: _____
Michael W. Farr, Mayor



City Council Agenda Item #3
Staff Report

Date: July 21, 2025

To: Mayor and City Council

From: Martin Pineda, Finance Director

Subject: Accept Five-Star Banks proposal for Banking Services and authorize the Finance Director to sign the agreements.

X	Regular
	Special
	Closed
	Emergency

Recommendation:

Staff respectfully recommends that the City Council consider and authorize the following actions:

1. Accept the proposal submitted by Five-Star Bank for the provision of comprehensive Banking and Treasury Services;
2. Authorize the Finance Director to execute the Banking Agreement with Five-Star Bank;
3. Authorize the update to Merchant Service fees to shift the cost of credit card processing to customers who choose to pay with a credit card (Visa, Mastercard, etc.).

Background:

The Finance Department, in collaboration with Vice-Mayor Johnson and Treasury Consultant Linda Patterson, conducted a comprehensive review of the City's current banking and treasury needs. As part of this review, a Request for Proposals (RFP) was issued and distributed to multiple financial institutions inviting submissions for Banking and Treasury Services.

A total of seven proposals were received and reviewed. Based on an evaluation of the proposals, Five-Star Bank was selected as the most advantageous provider for the City of Gridley. Key benefits of their proposal include:

- Provision of new check scanners, as needed.
- Armored car services for secure coin and currency deposits.
- Waiver of all banking service and setup fees.
- Requirement of a \$1 million minimum peg balance.
- Deposited funds to be placed in a Money Market Account with an interest rate matching that of the Local Agency Investment Fund (LAIF).
- One of the closest banks near the City of Gridley.

Merchant Services Update:

The RFP also included an optional component for Merchant Services, specifically to assess switching the City's credit card processing to Five-Star Bank. With this staff report, the only immediate change would be that credit card processing fees (currently absorbed by the City) would instead be paid by the customer at the point of transaction. This is a common practice among other municipalities and public agencies.

Historical credit card processing costs to the City are as follows:

- FY 2024-2025: \$100,490.05
- FY 2023-2024: \$92,753.24
- FY 2022-2023: \$81,560.33

The City is continuing to evaluate the Merchant Services component and plans to return to Council at a later date with a specific recommendation.

Fiscal Impact:

There is no direct fiscal impact from entering into the agreement with Five-Star Bank due to the waiver of banking fees. Cost savings are anticipated from the proposed customer-paid credit card processing model.

ATTACHMENTS:

1. Five-Star Bank Proposal

RESPONSE TO REQUEST FOR PROPOSAL
PREPARED FOR



www.fivestarbanc.com

NASDAQ: FSBC

Martin Pineda
Finance Director
City of Gridley
685 Kentucky St.
Gridley, CA 95948

Dear Mr. Pineda:

Five Star Bank is honored to have the City of Gridley consider us to be your trusted banking partner. You should have a banking partner you can call directly, who knows your name and organization, and who is an advocate for you and those you serve. Five Star Bank has a long history and extensive experience financing public entities throughout California. The opportunity to serve you is incredibly meaningful to us and we will take every measure possible to ensure mutual success.

After reviewing our proposal, your thoughts are welcome and we are ready to provide any additional details needed to ensure you have the best understanding of our products and services. Our team is ready to work for you, and by extension, those who rely upon your important organization. Thank you for your interest in Five Star Bank. Please contact us at any time should you have any questions.

Best regards,



HARMAN GOSAL
SVP / Business Development Manager
hgosal@fivestarbanc.com
530.713.6023

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IV.

Financial Institution Qualifications



1. CREDITWORTHINESS

- a. **Provide a link to the bank's audited financial statement for the most recent fiscal period. The bank will be required to provide an audited statement to the City each year of the contract period, as soon as it is available. Confirm agreement to this requirement.**

The following link provides the audited consolidated financial statements of Five Star Bancorp in the Annual Report on Form 10-K for the year ended December 31, 2024. For each calendar year, audited consolidated financial statements can be found in the Five Star Bancorp Annual Report on Form 10-K, filed publicly during the first quarter. Agreement to the requirement to provide audited consolidated financial statements each year of the contract period is confirmed.

Link: [Audited Financial Statement](#)

- b. **Provide certification of the bank's Community Reinvestment Act (CRA) rating by its rating agency (summary information only).**

Five Star Bank's CRA Performance Evaluation was conducted by the Federal Deposit Insurance Corporation, Division of Depositor and Consumer Protection on July 22, 2024. The following page contains the requested summary information. The full CRA Performance Evaluation is included in the USB drive should the City desire further information.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area (AA), including low- and moderate-income (LMI) neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	-	-	-
High Satisfactory	X	X	-
Low Satisfactory	-	-	X
Needs to Improve	-	-	-
Substantial Noncompliance	-	-	-
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated High Satisfactory.

- Lending levels reflect good responsiveness to AAs credit needs.
- An adequate percentage of loans are made in the institution's AAs.
- The geographic distribution of loans reflects good penetration throughout the AAs.
- The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different revenue size.
- The institution exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its AAs, low-income individuals, and very small businesses, consistent with safe and sound banking practices.
- The institution makes limited use of innovative or flexible lending practices in order to serve AA credit needs.
- The institution is a leader in making community development (CD) loans.

The Investment Test is rated High Satisfactory.

- The institution has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibits good responsiveness to credit and community economic development needs.
- The institution occasionally uses innovative and/or complex investments to support CD initiatives.

The Service Test is rated Low Satisfactory.

- Delivery systems are reasonably accessible to essentially all portions of the institution's AAs.
- To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals.
- Services, including business hours, do not vary in a way that inconveniences portions of the AAs, particularly LMI geographies and/or individuals.
- The institution provides a relatively high level of CD services.

- c. **Provide the senior and subordinate debt ratings of the bank holding company. If ratings are not available, provide the bank's most recent four quarters rating from an independent rating agency such as Highline, Veribanc, or Best. The bank will notify the City within thirty (30) days of any change in any of these ratings during the contract period. Confirm agreement to this requirement.**

The senior and subordinate debt ratings of the bank are below. Agreement to the requirement to notify the City of Gridley within thirty (30) days of any change in any of these ratings during the contract period is confirmed.

Five Star Bancorp: Kroll Bond Rating Agency (KBRA) assigned a senior unsecured debt rating of BBB, a subordinated debt rating of BBB-, and a short-term debt rating of K3. Egan-Jones assigned a subordinated debt rating of A.

Five Star Bank: Kroll Bond Rating Agency (KBRA) assigned a senior unsecured debt rating of BBB+, a subordinated debt rating of BBB, and a short-term debt rating of K2. Egan-Jones assigned a subordinated debt rating of A-.

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2. CUSTOMER SERVICE

a. How will the bank satisfy the City's need for superior customer service? How will the bank provide the City with relationship support for its services?

You deserve a banking partner you can call directly, who knows your name and city, and who is an advocate for you and those you serve. Most banks claim to offer outstanding customer service, reliability, security, competitive pricing, and an efficient means of managing accounts electronically. Five Star Bank does all of this, yet so much more. We are a highly trusted and respected organization known in the government community for treating clients with an empathetic spirit, understanding, and care. We will always remember we exist because our clients trust us and we believe in them.

Five Star Bank is a proud member of the California Society of Municipal Finance Officers and is keenly knowledgeable of the nuances involved in providing banking services to public entities. Five Star Bank serves the banking needs of public entities all throughout the state of California. In fact, we have over \$840 million in public funds on deposit as of June 16th, 2025, and are currently providing banking services for 10 cities in California. In total we are serving over 100 unique public entity clients all throughout the state today. We are here to serve you. We believe that every client deserves a personalized banking relationship, as no two clients are the same, and greatly pride ourselves on being a holistic banking partner and a true financial resource of our clients. Please contact us at any time should you have any questions.

b. Is there a formal process for escalation of problems/issues that are unresolved? How is service and overall contract performance monitored?

Escalations should be sent to the business development officer who will be the main contact for problems/issues and monitoring the accounts monthly to ensure clients' needs are met. We emphasize having direct access to your Business Development Officer, Harman Gosal, who will take the time to understand your problem/issue and provide a personalized solution because no two problems/issues are the same. Harman resides in Gridley, enabling timely, in-person availability should any issues or concerns arise.

c. How does the bank support the local community?

As a community business bank, we believe in action over words and recognize it is the effort of our entire team that allows us to donate, volunteer, engage and lead. On a continual basis, we work through enhancements to our community outreach efforts. We always will. We are focused on the health and success of our employees, shareholders, customers, and community partners, so that we may continue to fulfill our purpose as stewards of the communities we serve. This includes, but is not limited to; program and sponsorship support, marketing exposure through featured campaigns, connections to our network, and commitment to community development investments.

d. Will the bank representatives meet on a regular basis with the City?

Five Star Bank has a high-tech and high-touch approach to business banking where customers have direct access to their banker at all times. We are committed to providing personalized banking services and will honor that commitment by meeting with the City on a regular basis. In addition, rather than having 1-800 numbers, we believe in having a direct point of contact to a trusted and knowledgeable banker should you have any questions or concerns.

e. Are there any new services anticipated that might serve the City? When are they to be available?

There are no new services anticipated at this time. If a new service be introduced that might serve the City, your designated Business Development Officer will provide advance notice and serve as a dedicated advocate and resource throughout the implementation. In addition, your dedicated team at Five Star Bank will meet with the City of Gridley annually to review the current banking structure and services. These reviews help us determine what other services may complement your current processing and allow us to introduce you to new solutions that the Bank may implement that year. The opportunity to expand our partnership with the City of Gridley is very important to our Bank and, as always, we will take every measure possible to ensure your initial and ongoing success.

f. Is the bank offering any transition or retention incentives? Describe fully and quantify completely.

We understand that transitioning to a new bank takes time. For this reason, we will waive the first 90 days of account analysis fees to allow the City time to transfer the City's accounts and services to the Bank. Additionally, we will not charge any set-up fees for the accounts and treasury services, and we will provide the City with a complimentary check scanner for the Remote Deposit Service along with the initial supply of check stock, deposit tickets and endorsement stamps, as required to get started with your new Five Star Bank accounts. All 3rd Party fees will be put into suspense and will be allocated to the account analysis account on the 4th month.

We take pride in the financial strength of Five Star Bank, exceptional services levels, speed to serve, robust product and service offering, and competitive rates and fees. We partner with organizations like yours to help them be successful by providing highly customized banking solutions. Most of our clients retain their relationship with Five Star Bank for these reasons, and we believe the City of Gridley will feel the same, should they choose to bank with us.

g. The City requires the right to use a third party auditor to review the City's accounts, collateral, and bank records at any reasonable time. Confirm agreement with this condition.

Yes, Five Star Bank complies with third party auditors. When requested, we validate the request with a signer on the account and then proceed with the auditors request.

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3. REFERENCES

List references from three comparable California public entity clients. For each reference, include the length of time under contract, a client contact, title, and email address.

1. City of Elk Grove

Time Under Contract: 14 Years

Client Contact: Jason Behrmann

Title: City Manager

Email Address: jbehrmann@elkgrove.ca.gov

2. City of Reedley

Time Under Contract: 7 Years

Client Contact: Paul Melikian

Title: Assistant City Manager

Email Address: paul.melikian@reedley.ca.gov

3. City of Wheatland

Time Under Contract: 2 Years

Client Contact: Susan Mahoney

Title: Finance Director

Email Address: smahoney@wheatland.ca.gov

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4. DEPOSITORY AGREEMENT AND SERVICE AGREEMENTS

Provide a copy of all depository and service agreements which will be required to be executed under the contract for services rendered (including depository and collateral agreements). Any changes required on the agreements will be discussed and agreed upon before award of the contract is made by the City.

a. Provide all the agreements required.

- Cash Management Agreement
- Template Signature Letter
- Template Contract for Deposit of Monies
- Disclosures

The agreements listed above are included as separate files saved within the hand-delivered USB drive.

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5. IMPLEMENTATION TIMELINE

The contract period will commence September 1, 2025. The City recognizes that not all services and funds will be transferred by this date but expects that all services should be available by that date. It is anticipated that all services will be transferred by October 1, 2025.

a. Provide a proposed timeline for implementation of the contract. Include each activity required defined by its responsible party and assigned responsibilities. Denote any limitations or potential delay points.

- Once RFP has been awarded, the Bank will schedule an in-depth Discovery Meeting with your team and Christina Parola, VP / Senior Treasury Solutions Advisor, to ensure that all online banking capabilities have been appropriately identified, and any additional services that the City may need have been discussed to properly meet the needs of the City.
- Christina will create a customized implementation schedule with your team to ensure all City priorities are met, go-live dates are understood, and proper meeting accommodations can be made; whether in-person, ZOOM, or over the phone. We will work closely with you every step of the way to create a smooth transition to Five Star Bank.
- A project organization chart highlighting the key staff who will be available to assist the City of Gridley throughout every phase of the transition will be provided.
- Five Star Bank will work with the appropriate and designated City staff during this transition process. We very much look forward to meeting the City team that we will be working with during this transition.
- Christina Parola will collaborate with the City to develop a transition schedule with weekly calls to provide transparency and consistency of transition. We will provide training and testing to ensure that the determined go live date has a successful deployment, and the transition occurs as planned based upon the City's preferred time schedule. Five Star Bank is happy to accommodate the City's timing and will customize dates appropriately, as determined by the transition schedule.

Transition deliverables and documentation:

- Contract for Deposit of Monies – To be completed and signed by the City of Gridley
- Signature Letter – To be completed and signed by the City of Gridley
- Cash Management Agreement – To be completed and signed by the City of Gridley
- Armored Car Services Agreement – To be completed and signed by the City of Gridley
- Remote Deposit Capture – To be delivered to the City of Gridley by Five Star Bank
- Check Stock, Deposit Slips, and Banking Supplies – To be delivered to the City of Gridley by Five Star Bank
- Online Training – To be scheduled and provided by Five Star Bank

“ The responsive team at Five Star Bank has made it incredibly easy to manage a large portion of the city's investment portfolio with a competitive product. Keep up the great work! ”

PAUL MELIKIAN
Assistant City Manager
City of Reedley



V.

Required Banking Services



1. ACCOUNT STRUCTURE

a. Describe the account structure proposed.

Account Analysis is the recommended account type for the City of Gridley's Operating and Payroll Account. We would advise the City to establish the Payroll Account as a Zero Balance Account (ZBA), automatically sweeping funds from the Operating Account as funds are needed.

Five Star Bank is paying an above market rate of 2.00% Earnings Credit and 100% of the City of Gridley's funds are collateralized, per our Public Funds policy.

The City of Gridley will maintain, at minimum, a (PEG) balance of \$1,000,000, in its operating account which will offset all monthly service costs*, including third party service charges for Garda. Funds above the the (PEG) balance in the Operating Account will be automatically swept to an internal Five Star Bank Public Money Market Account (Public MMA) that matches the most recently published monthly rate at LAIF, currently paying 4.272%.

- The rate is reset each month to match the most recently published monthly LAIF rate. Interest is compounded daily and posted at the end of the month.
- Assuming average deposit balances of \$7,954,061 sweeping to the Public MMA at 4.272% = \$339,797 in annual interest earning potential.

**Additional details can be found in the Pro Forma Analysis Statement Summary.*

b. Describe the bank's ability to establish a sweep structure using an external money market mutual fund.

Five Star Bank does not offer an external Money Market Fund; however, the City of Gridley can take advantage of our internal Public Money Market Account.

c. If an SEC registered money market fund is utilized for the sweep Proposal, provide the full name and identifying cusip of the fund along with a link to the prospectus.

N/A

d. If swept, are funds swept at end of day or next day?

Sweep accounts transfer funds at the end of day based on preset balance limits (PEG) to offset Account Analysis Fees.

e. How is interest earned reported from a sweep? If a daily or monthly report is created provide a copy.

Interest is compounded daily and posted at the end of the month.

f. Will the bank assess a balance-based fee? At what specific rate?

The City of Gridley will maintain, at minimum, a (PEG) balance of \$1,000,000 to waive all bank fees.

g. Does the bank limit withdrawals in money market accounts to six per month?

Five Star Bank does not limit the amount of Money Market Account withdrawals.

h. Is the bank part of the ICS network?

Yes, Five Star Bank is a member of IntraFi to offer FDIC Insured Cash Sweep accounts, which provides FDIC insurance per company limit of up to \$200MM, if desired. With IntraFi Cash Service (ICS), the City of Gridley can enjoy the safety and simplicity that come with access to multi-million-dollar FDIC insurance through a single bank relationship.



Peace of Mind | Rest assured knowing that funds are eligible for FDIC insurance protection in amounts well into the millions, all backed by the full faith and credit of the federal government. And since deposit accounts are not subject to floating net asset values, you can feel secure knowing that market volatility will not negatively affect principal.

Interest | Put cash balances to work in money market deposit accounts.

Liquidity | Enjoy access to funds placed through ICS into money market deposit accounts.

Time Savings | Work directly with just us—a bank you know and trust—to access multi-million dollar FDIC insurance and forego the need to track collateral on an ongoing basis, or to manually consolidate statements and disbursements from multiple banks.

Community Support | Feel good knowing that the full amount of funds placed through ICS can stay local to support lending opportunities that build a stronger community.

How Does ICS Work? IntraFi, like other institutions that offer ICS, are members of the IntraFi network. When we place your deposit through ICS, that deposit is divided into amounts under the standard FDIC insurance maximum of \$250,000. The amounts are then placed into deposit accounts at multiple FDIC insured banks. As a result, you can access FDIC coverage from many institutions while working directly just with us. Receive one statement from our bank and access key details about your accounts online, 24/7. And, as always, know that your confidential information is protected.

i. If internal rates are not bank managed provide the proposed computation basis for the accounts.

Five Star Bank manages its own internal rates.

j. Will interest earned on interest bearing accounts be charged as an expense on the account analysis?

No, interest rates are not charged as an expense on Account Analysis.

k. Confirm that the City may use a compensating balance or fee basis for payment of bank fees.

The City of Gridley will maintain, at minimum, a (PEG) balance of \$1,000,000 to waive all bank and third-party fees.

l. Based on your fees and the historical volumes on Attachment A what is your target balance on a compensating balance basis?

The City of Gridley will maintain, at minimum, a (PEG) balance of \$1,000,000 to waive all Account Analysis Fees, including third-party service charges for Garda cash in transit.

m. Complete the following table indicating the average interest rates for the ECR, interest bearing accounts, money market accounts and sweep funds for the indicated periods.

	CURRENT RATE	AVERAGE 2024
ECR	2.00%	2.00%
Interest Bearing Account	4.272% (<i>Public MMA</i>)	4.379% (<i>Public MMA</i>)
Money Market Account	4.00%	4.00%
Sweep (Gov't) Fund	N/A	N/A

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2. AUTOMATED TREASURY SERVICES

a. Provide a link to your online service portal for the City to examine. Is the system a single portal access?

Five Star Bank does not offer a service portal link for clients. If a demo is needed, our team would be happy to showcase via ZOOM or in-person. Our Online Banking Platform access is single portal.

b. Describe (list) the bank's on-line service capabilities.

Five Star Bank offers many online services including Remote Deposit Capture, Positive Pay, Stop Payment, ACH and Wire processing, Bill Pay, Online Reporting, Statements and Documents, Dual Control Services, Reporting functions and Transfer Services.

c. Are all reporting and transactional processes available through the online system? If not, what is not available online?

Wires, ACH transfers, internal transfers, and bill payments can all be initiated through online banking. The platform also offers robust reporting capabilities, providing detailed insights into both current-day and previously-day online banking activity.

d. State the access time for prior day information? Is intra-day information real-time or delayed? Specify.

Prior reporting is available at 12:00am through Online Banking. Current day reporting is real time.

e. Define the history and image retention features available.

Electronic images of cleared checks (front and back) can be viewed through our Online Banking system for 7 years.

f. Can customized reports draw across reporting modules and activities? Describe and detail. Can the system consolidate information from different accounts? At what level?

Our Online system's Reporting function can create a multitude of customizable details for the City. This includes Online Banking Activity, Current Day and Previous Day reports. All available reports have the option of including details from one, or various accounts for consolidation purposes.

g. Describe back-up procedures for use by the City with any interruption in the automated system delivery of information.

The Bank's contingency plan in the event of an unexpected banking system or natural disaster is to follow protocol for recovery services that have been tested, reviewed, and audited. The Bank has strategic communication and effective handling procedures in the event of an unexpected banking problem to restore clients access as soon as possible. The Bank works closely with the online banking provider to ensure fast recovery and access. Our digital banking platform is provided by a nationwide software company that hosts the system in redundant and geographically separated data centers, each featuring redundant power and connectivity availability. This helps ensure the bank's digital banking systems do not go down in a disaster situation. Additionally, the service provider follows strict guidelines for testing, and releases updates to avoid unexpected interruptions to the system. We strive to maintain stable banking functions. In the event there is a disruption in the bank's services due to a disaster or declared emergency, we will assist customers to the best of our ability based on the need, impact, and urgency of their request, the circumstances and timing of the disaster situation, and data/resources available to us at the time. Assistance may include, but is not limited to, obtaining account information and/or processing transactions on the back end of the bank's operating systems or through a secondary back-up system to meet the specific customer needs.

h. What items generate an alert? How are these alerts or messages delivered? Must the user be signed on to your system to receive the alert or is it sent via email or text?

Alerts can be configured directly through the Online Banking Portal. Users can choose from various types, including account activity, transaction history, online activity, and security alerts. Delivery preferences are customizable and can be sent via email, phone call, or text message.

i. What level of mobile banking is provided? Describe the services on the mobile app.

Our mobile app offers the same functionality as the desktop version, with an identical view.

j. Describe the security protocol for online services. How is authentication and authorization provided? How and by whom are the administration protocols of the security module established and maintained?

To log in to the Online Banking Portal, users must complete a two-factor authentication process to ensure secure login.

k. Can all reports be customized? If not, which can be customized?

All reports originated through the platform may be customized.

l. What are the hours of available technical support? How is it provided normally?

The Electronic Banking team is available Monday through Friday from 8:00AM to 5:00PM PST. The support team is available via email, phone or ZOOM calls to meet the City of Gridley's needs.

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3. STANDARD DEPOSIT SERVICES

- a. Can deposits be made to a local branch or must a vault be utilized? If local, does the bank have a dedicated window for commercial accounts?**

Deposits can be made at any teller window.

- b. What is the bank's daily cut-off time at a local branch or is a vault required for deposits?**

The daily cut-off time for local branch deposits is 4:00 PM PST.

- c. Does the bank require strapping and rolling? Are there any limits on coin/currency in one deposit bag?**

If applicable, currency should be strapped and rolled. If strap currency is not an option, we would like cash to be bundled. Coin should be rolled if full coin rolls can be created.

- d. Are all deposit items imaged? When are images available?**

Yes, deposit items are imaged and available via Online Banking the following day.
(Statements are retained online for 7 years.)

- e. How does the bank handle discrepancies in deposit amounts? What settlement process is followed?**

Any discrepancies located at the teller window will be addressed with the representative making the deposit. If the representative is not there, then the deposit is counted under dual control.

- f. When and how are credit/debit advices sent to the City from the various deposit location types? Preference will be given to electronic delivery. Are originals or images of originals with each advice?**

If an advice of credit/debit is processed, the representative will be given a receipt. In addition, the information will be stored within Online Banking. If the deposit is dropped off for processing, then the deposit will be dual counted, and the City of Gridley will be contacted via phone for discrepancies.

- g. How and when does notification of return items take place?**

Return deposited items are processed daily and clients are notified daily via an electronic report and/or mail.

- h. What type deposit bags are used or required? Are these available from the bank?**

For deposits, standard clear bags are required for armored carriers. Opaque bags are typically used when deposits are brought into the bank, but any bag would be sufficient. If needed, the bank can supply the bags and charge the fee through account analysis.

- i. Describe the e-lockbox program available.**

Five Star Bank partners with CheckAlt for Lockbox and Electronic Lockbox (e-lockbox) services. CheckAlt's Catch! delivers payments faster, lowers costs, and simplifies reconciliation. With Catch! any biller, regardless of size, can receive online banking bill payments the way they were initiated – electronically. This reduces the days of sales outstanding, ensuring billers receive funds from customers days earlier. With electronic payments posting via an automated process, billers can streamline operations with simplified reconciliation. CheckAlt also works with billers to ensure account masking structure standards are updated in the back-end bill pay system on a regular basis.

j. How much advance notice is required on coin and currency orders? Can orders be placed online? Is there any minimum purchase requirement? What is the turn-around time on orders? Can orders be filled at a branch?

- Advance notice on coin and currency orders: 24 hours
- Branch orders cannot be placed online
- Armored carrier can be placed online
- No minimum purchase requirement
- Turn-around time for branch to fill orders: 24 hours
- Turn-around time for armored carrier to fill orders: 48 hours

k. Include a list of all the bank's deposit locations.

YUBA CITY OFFICE

855 Harter Parkway, Suite 350B
Yuba City, CA 95993
530.431.0950

RANCHO CORDOVA OFFICE (Headquarters Suite 600)

3100 Zinfandel Drive, Suite 100
Rancho Cordova, CA 95670
916.851.5440

ROSEVILLE OFFICE

2240 Douglas Boulevard, Suite 100
Roseville, CA 95661
916.626.5000

DOWNTOWN SACRAMENTO OFFICE (Non-Depository)

555 Capital Mall, Suite 985
Sacramento, CA 95814
916.306.1655

CHICO OFFICE

1370 E. Lassen Avenue, Suite 100
Chico, CA 95973
530.924.5121

REDDING OFFICE

356 Hartnell Avenue, Suite B
Redding, CA 96002
530.223.6652

NATOMAS OFFICE

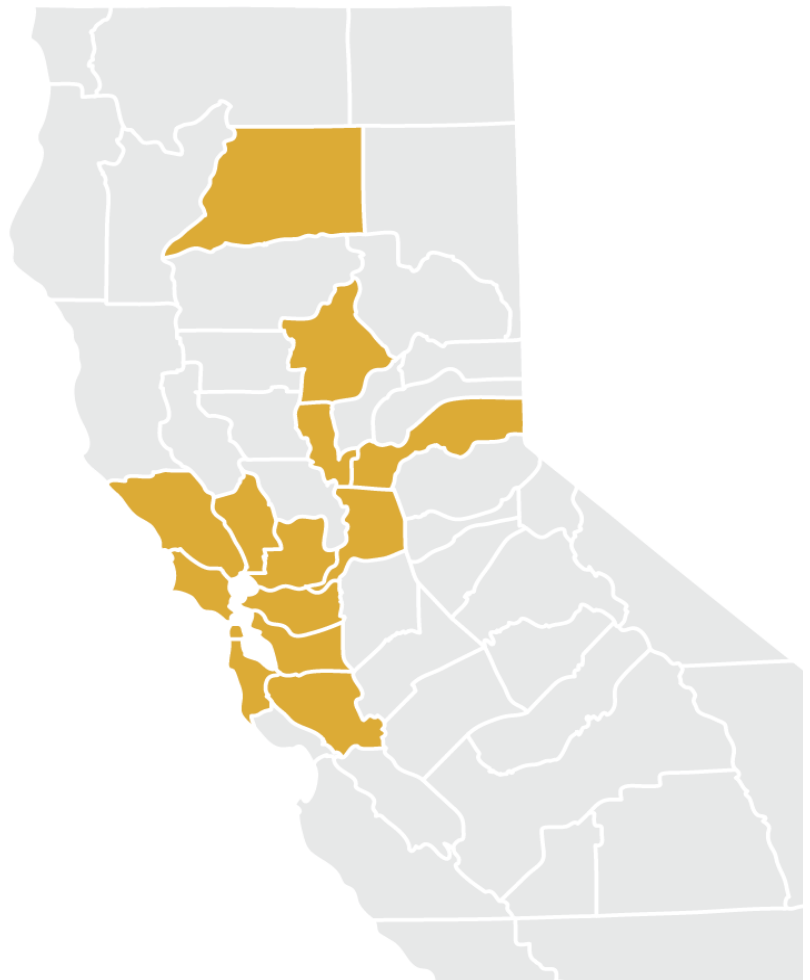
2400 Del Paso Road, Suite 100
Sacramento, CA 95834
916.640.1500

ELK GROVE OFFICE

9250 Laguna Springs Drive, Suite 102
Elk Grove, CA 95758
916.714.2444

SAN FRANCISCO OFFICE

345 California Street, Suite 2875
San Francisco, CA 94104
415.316.0014



REMOTE DEPOSIT

- a. What are the bank's current capabilities in remote check deposit? Describe how checks are processed and cleared including any limitations.**

Five Star Bank will provide Remote Deposit Capture services for the City's check deposits. Our secure online portal allows you to scan incoming checks and make same-day deposits. Checks are made available the following business day unless a hold is placed on the check. The bank will follow the standard Regulation CC schedule.

- b. What is the daily deadline on remote deposits?**

The cutoff time for same day deposits is 5:00 PM PST.

- c. What scanner equipment is required to operate the system? Is this equipment available through the bank? Will the bank provide the scanners? List the equipment required along with its cost(s).**

Five Star Bank will provide a complimentary check scanner to the City of Gridley for Remote Deposit Capture use. The following scanners support this application's features.

SCANNER	MODEL SUPPORTED
Digital Check*	CheXpress CX30, TellerScan* TS240, TellerScan TS230, Tellerscan TS215
Digital Check (Unisys* Burroughs)	SmartSource* Professional*
Epson*	CaptureOne* (TM-S1000)
Panini*	VisionX, My VisionX*, tDeal*
Canon*	imageFORMULA CR-L1, CR-120, CR-150, CR-190i II, CR-25, CR-55, CR-50, CR-80, CR-180II

- d. Can the City's current scanner equipment be used on your system?**

Yes, the City's current scanner, Digital Check TellerScan TS240, is compatible with our system

- e. How long are checks required to be maintained by the City?**

Checks are required to be maintained by the City of Gridley for 60 days. The City should permanently destroy processed checks after the 60-day retention period and must not be kept in storage for more than 90 days.

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NSF PROCESS AND RCK SERVICES (RE-PRESENTMENT OF NSF CHECKS BY ACH)

- a. Describe the bank's current NSF process. Are checks automatically re-deposited? How many times?**
Return items can be automatically reposit for a second time.
- b. How and when is the City notified of return items?**
The next day, the Bank can provide a summary report of returned items through an automated email that would include the payer's name, deposit date, and type of return.
- c. Is the bank capable of processing the second presentment as an ACH with a targeted presentment date (RCK)? Describe in full.**
Not at this time.
- d. How are the NSF and the later ACH matched/reconciled? Does the bank system cross reference the two transactions in any way?**
The Bank does not represent return deposited items via ACH.
- e. Is NSF information, image, or occurrence available on-line? When and how? How long is it available online?**
Electronic images of returned items are not available through Online Banking. The Bank can provide emailed images of returned items if needed.

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4. STANDARD DISBURSING SERVICES

a. When is daily clearing information available online through current day reporting?

Current-day reporting is available at 12:00 AM PST through Online Banking.

b. Are check images available on statements?

Images of checks paid are included with bank statements.

c. Does the bank have positive pay services? Payee positive pay services?

Five Star Bank offers Check and Positive Pay along with Payee name validation. Positive Pay will automatically match outgoing check numbers, date, check number, and amount against an authorized list to identify dependencies and ensure only authorized checks are paid. In the event of an unauthorized item, a digital image will be sent to you for approval or investigation.

With Five Star Bank's ACH Positive Pay, you can review upcoming debits and return them before they are deducted from your account. Notifications will be sent via email and/or text message of any items that do not meet your payment criteria. You will also be given the opportunity to add permitted vendors to a pre-approved list for ease of future payments.

d. Does the bank use virtual cards? How?

Virtual Cards are available through our Corporate Purchasing Card program. The function helps to keep your business safe by offering a single-use card for payment.

e. Does the bank have a commercial card? A purchasing card? Describe and include any rebate provisions.

Five Star Bank can provide the City of Gridley access to our in-house, Corporate Purchasing Card program. Our program utilizes card in hand, virtual, and ghost card features. Benefits of our program include:

- Ability to issue as many employee cards as needed.
- Program Administrator (PA) functions to open and close accounts, manage spending limits in real time, full access to add/remove online users, and more.
- Card programs will be controlled through an online portal where PA can download statements, make payments, and view transaction history.
- Customizable mobile spend alerts and controls.
- Paid-in-Full monthly automatic payment to avoid finance charges.
- Transaction history available to download into an Excel (.csv) spreadsheet or Quickbooks (.qbo) file.
- Ghost/Virtual card capability to manage vendor payments and recurring monthly charges.
- ERP integration available.
- Consolidated billing.
- Dedicated account manager.
- No annual fees.
- Tiered revenue sharing based on annual spend.

f. Will all employee checks for non-account holders be cashed without fee on presentment?

We do not charge a non-customer cash checking fee. We call to verify the issuance of checks being presented in person if the information cannot be verified through positive pay.

5. POSITIVE PAY AND RECONCILIATION

a. Describe the data transmission/transfer requirements for batch check runs for positive pay.

Five Star Bank offers two different methods for file transfers: SFTP to our hosted server or manual upload through our Online Banking system. With both methods, the City initiates the transfer at their preferred schedule, remaining mindful of daily processing cutoffs, etc. Our system accepts file formats in Excel, Delimited text, and Fixed length text. Five Star Bank's Implementations team will work closely with the City of Gridley to map check files to ensure they meet specifications.

b. Is online input for individual, manually written checks available online? Describe the process.

Online input is available for individual, manually written checks. Our system allows you to input check number, amount, date, and payee name on a per item basis, versus uploading a file.

c. How can check records be changed or deleted by the City, if necessary?

Our Online platform allows the City to edit and delete Positive Pay records easily after uploading or manual entry. After locating the check number in the system, the user can edit the check record to make necessary updates or deletion.

d. How is the City to be notified of a positive pay exception? Is an alert sent by text or email?

Positive Pay alerts will be sent via text, email, or both.

e. At what time is exception information reported to the City? How?

Positive Pay notifications are sent by the system between 12:00 AM -1:00 AM PST. Notifications can be customized to each user's preference to notify of items needing attention and/or if the queue is clear. The system will send out a reminder at 11:00 AM PST if exceptions are pending and need a decision.

f. What is the response deadline for City exception elections?

Positive Pay exceptions must be decided by 12:00 PM PST.

g. Are all checks, including those received by the tellers and vault, verified against the positive pay file before processing? How often is teller information updated?

Yes, all checks presented for payment, either on the teller line or through fed in clearings, are verified through positive pay before processing clearing the account. At the teller window, the tellers review the POS pay system to ensure it's a match before proceeding. This results in a real time feed from the teller window to the system.

h. Describe the bank's reconciliation processes.

Account reconciliation through pos pay is available and displays a report of the activity summary with newly issued checks, paid checks, stopped checks, voided checks, ACH debits and credit ,miscellaneous transactions, deposits, service charges, and paid interest. In addition, the report also provides a total of outstanding checks and the check register balance as of the reconciliation date.

i. How much flexibility for the bank's systems to interface with the City's Tyler ERP system?

Five Star Bank does not have an interface with Tyler; however, reports can be generated through Online Banking. If a specific report is not available, Five Star Bank will work with the City to create a customized report to be pushed over via SFTP or email.

6. FUNDS TRANSFER AND WIRE SERVICES

a. Is wire initiation online for repetitive and non-repetitive wires? Describe the process.

Wires can be entered via online banking and once a wire is created, the user can save the beneficiary as a recipient to use for further use. Once the wire is drafted and approved by the City, Five Star Bank is alerted and will continue with sending the wire once a call back verification has been completed.

b. Is online monitoring of wire status available?

Outgoing wires can be monitored through Online Banking. The status of the wire and the stage of the wire can be tracked. Once the wire has been successfully sent the client can obtain the OMAD number via wire activity in Online Banking. Incoming wires can be tracked through Online Banking via the memo post.

c. Can wire templates be created and stored? Is there a fee for storage?

Yes, wires templates can be created and saved. There are no additional storage fees.

d. How and when will the bank notify the City of incoming wires?

The City can sign up for automated email notifications, this will allow an automated email to be sent to the email addresses that are specified.

e. Describe security provisions for wire initiation including security levels available or required for initiation and release.

The Bank offers dual control or single control for wires, its dependent on the City's specifications. Once a wire is initiated a MFA code will be prompted, the user can be a draft only and then a second person can be an approver.

f. Describe the transfer initiation and reporting requirements. Are transfers completed totally online?

Wires transfers are completed via Online Banking. Once the wire is drafted and approved, the wire will be sent to the Five Star Bank wire team. From there, the wire team would call the City to verify the request for accuracy.

g. Is future dating available for both repetitive and non-repetitive wires? How far in advance?

Yes, future dated wires are allowed for repetitive and non-repetitive wires. There are no limitations on the future date.

h. State wire access times and cut-off times.

Online Banking wire cut-off time is 2:30 PM PT.

i. State the bank's policy on the use of ledger balances for outgoing wires in anticipation of daily security activity or incoming wires.

Wires are draft upon the available balance which adds and subtracts all items that are being memo posted that day.

7. STOP PAYMENTS

a. How are stop pays initiated online? How long is the initial stop pay period?

Stop payments can be placed within the online banking platform for checks written within the past 90 days or less. The user will need to input the check number, date, payee, and amount to place the stop payment. Checks written older than 90 days will need assistance from our bank staff. Stop payments are valid for 6 months.

b. How is a stop pay renewed/extended? For what period? Must a new stop be created?

Stop payments are valid for 6 months and do not automatically renew. An additional stop payment would need to be made to extend the period to another 6 months. This can be done with assistance from our bank staff.

c. What is the deadline for same day action on stop pays?

Stop payment requests are effective immediately, once placed either in online banking or with bank staff. Five Star Bank has a daily cutoff time by which we must receive any knowledge, notice, Stop Payment Order, set off or legal process affecting our right or duty to pay a check. The cutoff time is one hour after the opening of your branch's banking day, following the banking day on which your branch received the check.

d. What information on current and expiring stop pays is available on-line?

Current and expiring stop payments are not available online. Bank staff will be able to provide this information for the City, which would include the expiration date of the stop.

e. When a stop pay is created does the system automatically research the check's status? How far back?

Our system will search 90 days back to verify if a check has been paid prior to processing the Stop Payment request.

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8. ACH SERVICES

a. Describe the batch transmission requirements for ACH transactions.

Five Star Bank offers three methods for ACH file uploads: NACHA, CSV, or manual input through our Online Banking system. Our Implementations team will work closely with the City of Gridley to map check files to ensure they meet specifications.

b. Are same day, on-day, two day and instant cash available services?

Five Star Bank offers same-day, one-day, and two-day ACH. A credit evaluation is required to enable same-day and one-day ACH payments.

c. Is the City able to initiate individual ACH transactions online? How?

Our ACH platform allows the City to initiate individual ACH transactions online. The user will be required to build a profile for the recipient that would include, at minimum, name, account type, routing number, and account number.

d. What filters and blocks are available on City accounts for ACH transactions? Describe in detail.

- Fraud prevention tools will be provided to help the City mitigate risk. Our team will help the City determine which ACH filter best fits your needs.
- ACH Positive Pay will allow the City to review all ACH transactions received and provide the option to pay or return. Exceptions must be worked by 12:00pm. The City can also add permitted ACH transactions to a pre-approved vendor list that will approve future payments automatically.
- ACH Block will stop all unwanted electronic transactions from clearing the account.

e. Are ACH addenda shown in their entirety on-line and on reports?

ACH addenda information does not appear within Online Banking, however, Five Star Bank can produce a transaction report for the City to consume with all addenda information for ACH entries. Our Data team would work closely with the City to help get the report configured.

f. Is the originating account debited when the transaction is initiated or on settlement?

For same-day or one-day ACH, the originating account is debited on the day of settlement. For two-day ACH, the originating account is debited two days before settlement.

g. What is the bank's policy on pre-notes? Is the pre-note charged as a standard ACH transaction?

Five Star Bank does not require our originators to utilize pre-notes, however, we do allow and encourage use when in accordance with NACHA rules. It is recommended a pre-note originates at least three business days prior to subsequent live entries. Pre-notes are charged to the same fee schedule as live ACH transactions.

h. Are there any specific ACH reports available on paper or screens on-line? If so, describe.

Our online Reporting function will allow the City to pull information on ACH Online Origination. The report will provide the total batch amount, effective date, and tracking number for the file, and can be pulled in both PDF and CSV formats. Our Data team can also create a more customized file if more data or information is required. We will work closely with the City to produce a report that meets your needs.

9. ACCOUNT ANALYSIS

a. Provide a sample/pro forma account analysis.

The requested pro forma account analysis document is included as a separate file delivered via email.

b. When is the analysis available each month online?

Account Analysis statements cut on or around the 10th of each month. If the 10th is on a weekend, the statement will be cut the next available business day. These statements can be mailed to the business mailing address on file and/or be viewed once through Online Banking, once available.

c. How long is the analysis retained online?

Statements are retained online for 7 years.

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10. MONTHLY STATEMENTS

a. When are monthly statements available online each month?

Monthly account statements and reports are available online for all accounts on the 1st of every month. These statements can also be mailed to the business mailing address on file.

b. How long are statements retained online?

Statements are retained online for 7 years.

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11. ACCOUNT EXECUTIVE

- a. Provide the name, title and location of the proposed account executive.



Harman Gosal
SVP / Business Development Officer
Yuba City
hgosal@fivestarbanc.com
530.713.6023

- b. Provide the name, title and location of the backup representative.



Harpreet Atwal
AVP / Relationship Manager
Yuba City
hatwal@fivestarbanc.com
530.924.5126

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12. OVERDRAFTS

a. State the bank's policy regarding aggregate overdraft charges and the fees, if any.

Should the account fall into an overdraft, the Bank will contact the client to make a deposit before 11:00 AM PST. Each overdraft item paid is \$35.00. There is no daily overdraft fee.

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“ The City of Wheatland has been extremely impressed with the banking services provided by Five Star Bank. The level of customer support and personal service is outstanding. I would highly recommend Five Star Bank for any governmental banking needs. ”

BILL ZENONI
City Manager
City of Wheatland



VI.

Optional Services



1. CHECK PRINTING

a. Does the depository provide check printing services? Describe the service fully.

Five Star Bank provides printing services through bill pay and/or an integrated payables solution.

b. Describe the transmission, printing and mailing process to be utilized.

- When selecting bill pay as the check printing service, the user would log into Online Banking and submit requests for payees and invoices through the platform.
- When selecting integrated payables, the client works to customize their checking printing services.

c. What are the requirements and turn-around time for release of same day and next day checks?

The release date will be the next day or future dated.

d. From what location are checks printed and mailed?

Checks are printed and mailed from the third-party vendor.

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2. MERCHANT SERVICES

a. Does the depository provide merchant services? Briefly describe a history and any other affiliated parties.

Yes, Five Star Bank partners with Select Bankcard to offer Merchant Processing services. Merchant Processing was brought in-house in 2019 through an Agent relationship with our partner. Five Star Bank maintains all merchant accounts, sets pricing and terms for our clients, and sits in first risk position with our depositors. This ensures ultimate determination of account standing, escalations, and decisions lie squarely in our hands.

b. Describe the relationship between the depository and the merchant services provider. What relationship team will be primary for these services?

Anthony Garcia, Vice President / Merchant Services, is the first layer of service for your relationship. As an employee of the bank, rather than a vendor, he will utilize various resources to provide support directly to City staff, should the need arise.

c. Does the provider support all major payment types? (credit/debit cards, gift cards, corporate cards?)

Yes, Five Star Bank supports all major payment types.

d. Describe any software/hardware necessary for acceptance.

Hardware and software depends on the level of acceptance needed by the City to compliment or supplement services with Tyler Incode. Tyler only integrates with their own processing partner, but the recommended complimentary service would be with Valor Paytech, an omnichannel solution that features multiple hardware options and a virtual interface.

e. Describe any interface requirements and compatibility issues.

Tyler Incode exclusively provides their own payment processing, resulting in no compatibility available for full integration. We can, however, assure a lower processing cost with savings that may be well worth the extra step of entering third-party payments separately.

f. Is funding next day?

Yes, funding is next day.

g. What level of detail is available on reports? Provide a monthly summary report.

Reporting on the Valor Paytech platform is very detailed, down to the cardholder and transaction. Monthly statements include details of card types and transaction methods that determine interchange rates.

h. How long are reports available online?

There is no perceivable time limits on report availability. All reporting since, the Bank's relationship with Select Bankcard is still available.

i. Do you provide training on initial and continuing education and PCI requirements?

Yes, Anthony Garcia will be your dedicated training representative providing initial and continuing education and PCI requirements. Five Star Bank will be your partner every step of the way from pre-conversion through implementation, and any ongoing post-implementation training needs that the City of Gridley staff may require.

j. What is your proposed interchange plus fee?

PROPOSED RATE SCHEDULE:	
Processing Rate (Interchange Plus)	0.30%
Authorization Fee	\$0.10
Valor Paytech Monthly	\$10.00
Batch Fee	\$0.10
PCI Compliance Monthly	\$10.00
Account Service Monthly	\$0.00

k. List any additional non-qualified surcharges.

Five Star Bank does not participate in Downgrade/NQ Surcharge billing.

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“ Every interaction with Five Star Bank has been proactive, pleasant, and supportive. Switching from the red tape that goes with 'big banks', it is so refreshing to have a banking partner that cares about you. ”

TOMMY BAGGETT
Administrative Manager
Kirk Meadows Public Utility District



VII.

Alternative Services



ALTERNATIVE SERVICES

If the bank has any additional services that it feels could benefit the City, please use this section to describe those services.

Personalized Banking Services

- Five Star Bank is solution based, and our recommendations are customized to meet each one of our clients' needs. We value the importance of understanding your banking priorities and taking every measure possible to ensure we are starting your relationship on the right track.
- Our in-depth Discovery Meeting helps us understand City of Gridley's priorities and banking needs. These meetings also allow us to recommend services and enhancements that build efficiencies in your A/R and A/P processes, prevent fraud with our safety prevention tools, and identify pain points or ways the City can increase efficiency.
- If RFP is rewarded, we would spend more time in this process with your team and Christina Parola, Senior Treasury Solutions Advisor, to ensure we create a customized suite of solutions specific to your organization's needs.

Additional Benefits

As a community business bank, we believe in action over words and recognize it is the effort of our entire team that allows us to donate, volunteer, engage, and lead. On a continual basis, we work through enhancements to our community outreach efforts. We always will. We are focused on the health and success of our employees, shareholders, customers, and community partners so that we may continue to fulfill our purpose as stewards of the communities we serve.

Lastly, as community stewards with extensive experience working with government organizations, our commitment to our government clients goes beyond simply providing banking services. If the RFP is rewarded and when the accounts have been funded, Five Star Bank will support the City of Gridley as follows:

- Sponsorship & Program Support: Five Star Bank believes it is our shared responsibility to build a strong foundation of community by fostering a culture of belonging and inclusion. We remain focused on the investment, economic development and sustainability of our region. We proudly support many government organizations dedicated to the success of their programs and policies, the empowerment of your constituents, and the viability of our community. By actively engaging with and supporting our community partners, and by investing in the community we serve, together, we can make the greatest impact.
- Marketing & Branding Exposure: Five Star Bank may have opportunities to promote the City of Gridley on digital advertising campaigns, social media, print publications, the Bank's website, ESG Reports, and Annual Reports.
- Ecosystem Connections: Five Star Bank often hosts events with clients, prospects, and centers of influence. These events provide great networking opportunities. The Five Star Bank team is constantly looking to provide additional value in introducing our current clients to those who may be able help them.

Additional Bank Information



BANK OVERVIEW

ORGANIZATIONAL OVERVIEW

Five Star Bank is a \$4.2 Billion community business bank serving customers nationwide, with branch locations in the Capital Region, North State, and San Francisco Bay Area. Five Star Bank has a high-tech and high-touch approach to business banking where customers have direct access to their banker at all times.

A HISTORY OF ORGANIC GROWTH

Five Star Bank was founded in 1999 by a group of local entrepreneurs who wanted to create the kind of personalized banking services they desired themselves – services provided by industry experts who were committed to partnerships grounded in shared vision and goals. Today, Five Star Bank is a community business bank guided by purpose-driven banking, community stewardship, regional and industry expertise, and a commitment to economic development. In May 2021, we completed our initial public offering. Prior to this achievement, and for over twenty years, we focused on organic growth by strategically and thoughtfully expanding our reach in Northern California (and beyond) and by developing our team, banking groups, internal processes, community partnerships and brand. In 2023, we expanded into the San Francisco Bay Area.

Today, we provide a broad range of banking products and services to small and medium-sized businesses, professionals, and individuals primarily in Northern California through eight branch offices, and the internet with our mobile banking applications. Our primary loan products are commercial real estate loans, commercial loans, commercial land and construction loans, and farmland loans. Our principal geographic market is the Capital Region (Rancho Cordova, Roseville, Sacramento and Elk Grove), the North State (Chico, Redding, and Yuba City), and the nine-county San Francisco Bay Area.

The geographies we serve have profitable and productive economies driven by the governmental, education, technology, healthcare, agricultural, and manufacturing sectors. Since 2016, our market share of the total deposits in the Greater Sacramento Area has increased significantly, according to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Reports. We believe our market growth confirms the quality of the integrity-centered banking we strive to deliver to clients. Our mission is to become the top business bank in the markets we serve through exceptional service, deep connectivity, and client empathy.

REGIONS WE SERVE

Five Star Bank serves clients through branch locations in Northern California, including the Capital Region, North State and San Francisco Bay Area.

VERTICALS WE SERVE

Government
Food, Agribusiness & Diversified Industries
Commercial Real Estate & Construction
Enterprise (Businesses & Associations)
Manufactured Housing, RV & Self Storage
Private Practice & Professional Services
Venture Banking, Technology & Start-up
Small Business Administration ("SBA")
Contractors & Manufacturers
Faith Based Community
Healthcare
Non-profit

AWARDS & RECOGNITION



S&P Global Market Intelligence
Top 3 Best-Performing Community Banks
2024



Raymond James Community
Bankers Cup Winner
2024
Ranked in top 10% of Community Banks in the Nation



Piper Sandler's Sm-All Stars
2024

Bauer Financial	5 Stars (out of 5)
Findley Report	Super Premier Performing Bank
IDC	Superior Rating
Sacramento Business Journal	2023 Best Places to Work & 2025 Fastest Growing Businesses

COMMUNITY IMPACT AND WORKFORCE DEMOGRAPHICS

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Five Star Bancorp's speed to serve and certainty of execution have earned the trust of our employees, clients, and community partners. We continue to gain further trust as thought leaders focused on Environmental, Social & Governance (ESG) initiatives. The Bank has taken a proactive approach to ESG and believes our ability to manage these initiatives demonstrates strength in leadership and governance essential to sustainable growth. We are executing ESG strategies we believe will drive positive change while focusing on the impact of our business on the communities we serve. We remain committed to the economic development and sustainability of the regions we serve.

COMMUNITY REINVESTMENT ACT (CRA)

As reported in the Bank's July 2024 CRA Performance Evaluation, the Bank originated 136 community development loans totaling \$207.3 million from January 2021 to July 2024. In 2024 alone, the Bank originated 43 community development loans totaling \$62.4 million or 1.68% of Average Assets. All community development loans were made within the San Francisco, Sacramento, Chico, and Redding Assessment Areas for the following purposes:

- Affordable Housing
- Community Services
- Economic Development
- Revitalize or Stabilize

Community Development Investments:

As reported in the Bank's July 2024 CRA Performance Evaluation, the Bank made community development investments and donations totaling approximately \$53.2 million during the period January 2021 to July 2024, all within its combined assessment areas. These were comprised of:

- \$51,921,000 - community development investments
- \$1,274,000 – donations and grants given directly to local community development organizations
- The above totals do not include the December 31, 2024 book balance of prior period investments of \$7,823,000

WORKFORCE DEMOGRAPHICS & VOLUNTEER IMPACT

2024 Workforce Demographics:

- 58.6% of total workforce were women
- 46.2% of total workforce were from diverse races and ethnic backgrounds

2024 Senior Vice Presidents & Above:

- 33.3% of the Executive team were women
- 22.2% of the Executive team were from diverse races and ethnic backgrounds
- 43.5% of Senior Vice Presidents and above were women
- 32.6% of Senior Vice Presidents and were from diverse races and ethnic backgrounds

Volunteer Impact:

Five Star Bancorp is extensively engaged with a wide range of non-profits and economic development corporations through direct charitable giving and active board engagement.

- In 2024, employees contributed a total of 1,563 volunteer hours across 79 organizations performing 712 activities
- Averaged 8 volunteer hours per full-time employee

“ Five Star Bank has a product that, quite frankly, no other bank can compete with. They are very familiar with the government code, and therefore, are able to answer a lot of the special districts' questions. They have one of the best customer service teams I've worked with. ”

RICK WOOD
Chief Finance & Operations Officer
California Special Districts Association (CSDA)





Thank You

Thank you for the opportunity to share Five Star Bank's story and extensive capabilities with you. It would be our privilege to serve you.

Please contact Five Star Bank's President & CEO, James Beckwith, directly at 916.798.3967 or Senior Vice President, Business Development Manager, Harman Gosal, directly at 530.713.6023.



www.fivestarbank.com

NASDAQ: FSBC

City Council Agenda Item #4
Staff Report

Date: July 21, 2025

To: Mayor and City Council

From: Elisa Arteaga, City Administrator

Subject: Adoption of the Laurel Street Dedication to City of Gridley from Gridley Unified School District

X	Regular
	Special
	Closed
	Emergency

Recommendation

City staff respectfully recommends that the City Council adopt Resolution #2025-R-020, accepting the dedication from the Gridley Unified School District of the 30-foot wide public right-of-way for the Laurel Street extension Randolph Avenue.

Background

Laurel Street runs between two parcels, one is owned by the Gridley Unified School District and the other is owned by Butte View Estates. It is in the best interest of the City to accept the school board approved dedication from the Gridley Unified School District for the extension of Laurel Street. When the Laurel Street Extension is completed it will provide additional connection for new developments to the west.

Financial Impact

A small impact for the cost to file the documentation with the County.

Compliance with City Council Strategic Plan or Budget Goals

The City Council and City staff are committed to providing effective leadership while providing quality cost effective local government services.

Attachments –

Resolution 2025-R-020

Exhibit “A” – Parcel Description & School Board Approval

Exhibit “B” – Parcel Exhibit

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY ACCEPTING THE DEDICATION
OF LAND FROM GRIDLEY UNIFIED SCHOOL DISTRICT FOR THE LAUREL STREET EXTENSION
PROJECT.**

WHEREAS, the City of Gridley (City) is planning for the development of property located on the north side of APN 10-270-033 at Laurel Street and Randolph Avenue for the Laurel Street Extension; and

WHEREAS, the has Gridley Unified School District (District) Board has voted to deed the north 30 ft of the District owned property, APN 10-270-033, through an Irrevocable Offer of Dedication dated March 7, 2025, conveying the land described in Exhibit "A" and shown on Exhibit "B"; and

WHEREAS City staff has reviewed the legal description and finds it in conformance with the City's General Plan and the Subdivision Map Act (Gov. Code §66475); and

WHEREAS the acceptance of said dedication is categorically exempt from CEQA pursuant to CEQA Guidelines §15305 (Minor Alterations in Land Use Limitations);

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF GRIDLEY, CA, THAT:

that the City Council of the City of Gridley hereby accepts the dedication of that certain real property described in Exhibit 'A' and shown on Exhibit 'B' as public right-of-way for public streets and utility purposes, and authorizes its recordation with the Butte County Recorder.

I HEREBY CERTIFY that the foregoing resolution was duly passed and adopted by the City Council of the City of Gridley at a regular meeting thereof, held on the 21st day of July, 2025, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ATTEST:

APPROVE:

Elisa Arteaga, City Clerk

Mike Farr, Mayor

EXHIBIT "A"
30' DEDICATION

All that real property situated in the City of Gridley, County of Butte, State of California;

All that portion of that certain parcel of land described in the Grant Deed to GRIDLEY UNION SCHOOL DISTRICT recorded in Book 1240 at Page 183 on April 18, 1963 as said parcel is shown on that certain Record of Survey filed in Book 29 of Maps, Page 35 on April 30, 1964, in the Office of the Recorder of the County of Butte, State of California, lying northerly of the following described line;

BEGINNING at a point being the intersection of the westerly right of way line of Randolph Avenue and a point 30.00 feet southerly of the centerline measured at right angles to FUTURE STREET (LAUREL STREET) as shown on that certain map entitled Butte View Estates Unit No. 1 filed in Book 34 Maps, Page 47 and 48 on June 28, 1966;

Thence (1) Thence South $89^{\circ}34'30''$ West along said centerline and its westerly extension a distance of 1114.40 feet more or less to the easterly line of PARCEL 1 as shown on PARCEL MAP NO. 2-05 filed in Book 16 of Maps at Pages 1 and 2 on September 21, 2005 and there terminating containing 0.52 acres more or less.

END OF DESCRIPTION.

Signature 
Andrew Klintiver III, LS 7182

Date 3/07/2025



EXHIBIT "A"
30' DEDICATION

All that real property situated in the City of Gridley, County of Butte, State of California;

All that portion of that certain parcel of land described in the Grant Deed to GRIDLEY UNION SCHOOL DISTRICT recorded in Book 1240 at Page 183 on April 18, 1963 as said parcel is shown on that certain Record of Survey filed in Book 29 of Maps, Page 35 on April 30, 1964, in the Office of the Recorder of the County of Butte, State of California, lying northerly of the following described line;

BEGINNING at a point being the intersection of the westerly right of way line of Randolph Avenue and a point 30.00 feet southerly of the centerline measured at right angles to FUTURE STREET (LAUREL STREET) as shown on that certain map entitled Butte View Estates Unit No. 1 filed in Book 34 Maps, Page 47 and 48 on June 28, 1966;

Thence (1) Thence South $89^{\circ}34'30''$ West along said centerline and its westerly extension a distance of 1114.40 feet more or less to the easterly line of PARCEL 1 as shown on PARCEL MAP NO. 2-05 filed in Book 16 of Maps at Pages 1 and 2 on September 21, 2005 and there terminating containing 0.52 acres more or less.

END OF DESCRIPTION.

Signature 
Andrew Klinstiver III, LS 7182

Date 3/07/2025



GRIDLEY UNIFIED SCHOOL DISTRICT

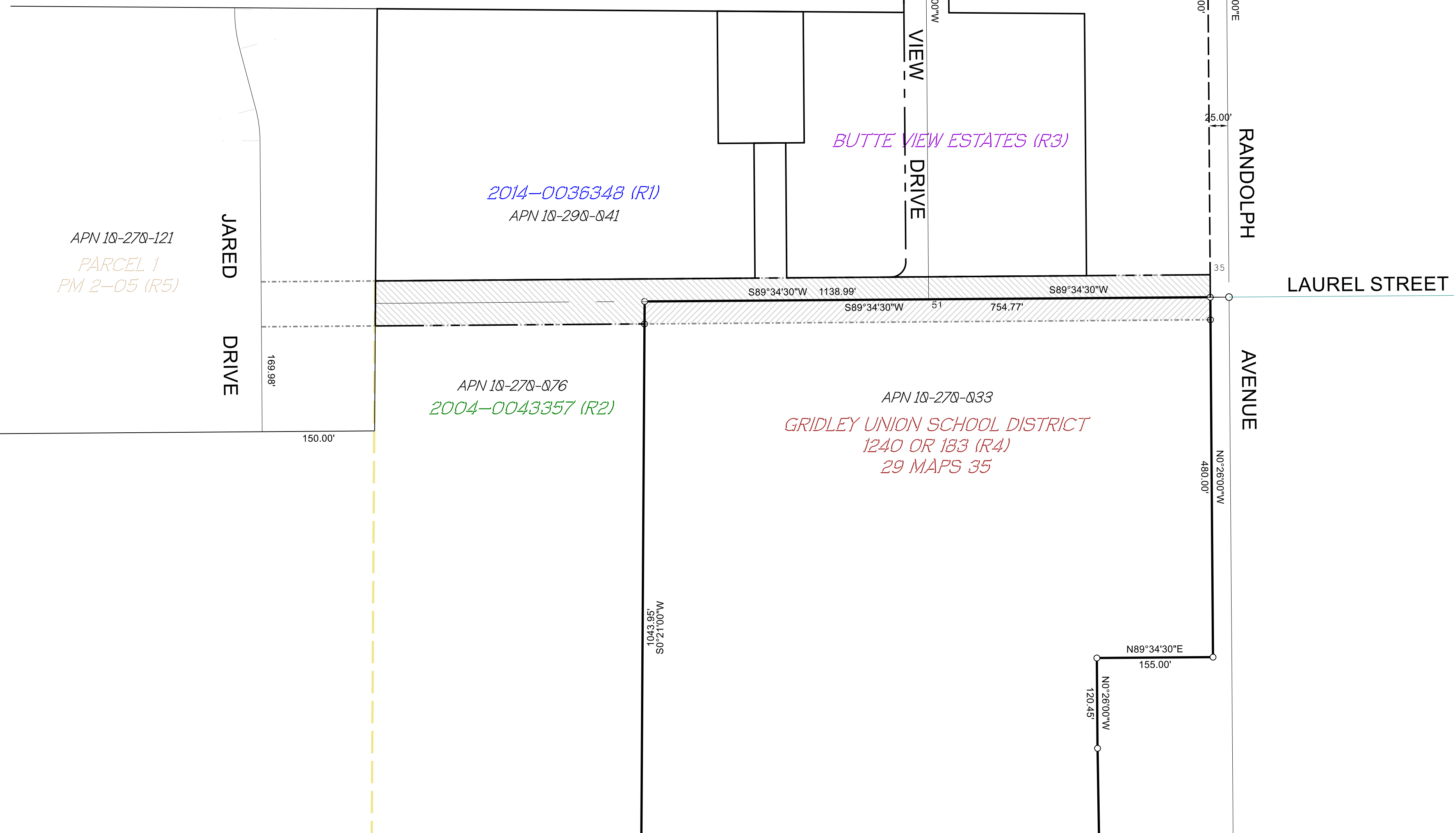
AGENDA ITEM NUMBERS: 13.A		Date: 06/11/2025		
AGENDA ITEM DESCRIPTION: Consideration and possible approval of the deed of the north 30 feet of the Randolph property to the City of Gridley for the purpose of extending Laurel Street. This extension is intended to facilitate future egress and ingress to the proposed school site and to support access for housing developments planned in the surrounding area.				
BACKGROUND: As part of long-term planning efforts for the development of a new school site, the need for adequate transportation infrastructure has been identified. The City of Gridley has proposed extending Laurel Street to enhance traffic flow and accessibility. The Randolph property, owned by the district, borders the area where the extension is planned. By deeding the northern 30 feet of this property to the City, the district will contribute to the overall accessibility and connectivity of the neighborhood, supporting both the future school and surrounding community development.				
STATUS: Discussions between the district and the City of Gridley have taken place, and preliminary agreements have been made regarding the dimensions and use of the property in question. The district's legal counsel has reviewed the deed transfer and confirmed its compliance with applicable laws and district policies. Coordination with city planners ensures alignment with broader municipal development plans.				
FISCAL IMPACT: There is no direct fiscal impact to the district as the land is being deeded without compensation; however, the improvement in infrastructure may increase long-term property value and community investment in the area. We would cost share with the City of Gridley for any required surveying.				
EDUCATIONAL IMPACT: Deeding this portion of land to the City will directly support improved access to the future school site. Enhanced roadways will ensure safer and more efficient student drop-off and pick-up, better emergency vehicle access, and promote walkability for students residing in future nearby housing developments. Overall, this action supports the district's long-term educational goals by enabling better access to educational facilities.				
RECOMMENDATION: Staff recommends the Board approve the deeding of the north 30 feet of the Randolph property to the City of Gridley for the Laurel Street extension, in support of current and future community infrastructure and educational site development. Second; roll call vote				
ROLL CALL VOTE:	Ayes	Noes	Abstained	Absent
Eric Waterbury	✓			
Art Cota	✓			
Sonia Zarate				✓
Cheryl Argetsinger	✓			
Drew Becker	✓			
Joe Dewsnap				✓
Ben Taylor	✓			

A scale bar at the top indicates a distance of 100 feet, divided into four equal segments. Below the scale bar is a circular diagram. A horizontal line passes through the center of the circle, and a vertical line passes through the center. A shaded triangle is formed by the horizontal line and a line segment connecting the top of the vertical line to the right edge of the circle.

- (R1) 2014-0036348 LaTorre
- (R2) 2024-0043357
- (R3) Butte View Estates (R3)
- (R4) School parcel per ROS 29-35
- (R5) Parcel Map 2-05 : 165-2

The basis of bearing is the easterly line of the southwest 1/4 of Section 29 as shown on Parcel Map No. 92(R1) having a bearing of S0°21'40"E.

1.



City Council Agenda Item #5
Staff Report

Date: July 21, 2025

To: Mayor and City Council

From: Tyson Pardee, IT Manager

Subject: Award of Contract to CivicPlus for Website Redesign Services

X	Regular
	Special
	Closed
	Emergency

Recommendation

Approve the award of contract for the City website redesign to Civic Plus in the amount of \$13,870.00 for implementation and \$9,628.50 annually and authorize City Administrator to sign.

Background

The City of Gridley's current website is old and is in need of a redesign. The redesign will give the City an opportunity to modernize the site's technology, improve the user experience, increase security and maintain compliance with federal regulations for Americans with Disabilities Act (ADA) compliance.

On May 7, 2025, City staff released the Request for Proposals for the redesign of the City Web site. The City of Gridley was seeking the best proposal that centralizes content management, is ADA compliant, easier for the public to navigate, and allows for any City Staff member to manage items within their department. Part of the process was also finding a provider that would be equipped to integrate additional features that may be needed or new technologies that may be developed in the future.

Four companies bid on the project and of those, three were selected to provide a demonstration of their product. After the demonstrations, City staff agreed that Civic Plus fulfilled all RFP requirements and provided a powerful and simplistic user interface.

Financial Impact

City staff budgeted \$45,000 in the FY 2025-2026 budget for Website Redesign. Financial impact will be \$23,498.50, which can be covered with the \$45,000. City Staff will review and, if needed, re-allocate the unused funds (\$21,501.50) to another project.

Compliance with City Council Strategic Plan or Budget Goals

This request supports the City Council's strategic priorities related to public safety and community well-being. Specifically, it aligns with the City's goal to enhance the safety of residents—particularly youth—by improving emergency access to school grounds during high-traffic periods.

Attachments

1. CivicPlus Quote
2. Bids Received

Cost

CivicPlus can appreciate the monetary constraints facing our governments each day. To help ease these concerns and assist with budgeting and planning, our proposed project and pricing are valid for 90 days from June 2, 2025.

Features & Functionality

- Central Starter CMS Tools, Widgets, & Features
- Central Starter Default Modules
- Additional Modules: Facilities, Resource Directory, Jobs
- DNS Setup for gridley.ca.us
- IdP Integration

Implementation

- Premium Package
 - 1 Website Layout Built Using Available Flexible Layout Options
 - 1 Custom Website Design Built Using Approved Layout & Up to 1 Advanced Design Component
- Content Implementation
 - Up to 150 pages from gridley.ca.us
 - Current + 2 Previous Years of Simple Meeting Agendas & Minutes

- 3 Blocks of Additional Module Training (up to 2 hours/block)
- 2 Blocks of Virtual Training (up to 2 hours/block)

Annual Recurring Services

- Guardian Hosting & Security
- 1 SSL Certificate
- DNS Hosting for gridley.ca.us
- Software Maintenance Including Service Patches & System Enhancements
- 24/7 Technical Support & Access to the CivicPlus Help Center
- Dedicated Customer Success Manager

The City's Investment	One-Time Fees	Year 1 Annual Fees
Website Design & Implementation	\$4,700.00	\$7,881.00
Hosting & Support	\$0.00	\$1,289.00
Total Price	\$4,700.00	\$9,170.00
Total Investment - Year 1 (includes one-time fees and Year 1 annual services)	\$13,870.00	
Annual Recurring Services - Year 2 (includes 5% uplift)	\$9,628.50	



[illegible]

City Council Agenda Item #6
Staff Report

Date: July 21, 2025
To: Mayor and City Council
From: Todd W. Farr, Chief of Police
Subject: Police Vehicle Surplus

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

Recommendation

Staff respectfully requests the City Council declare the vehicles listed below are surplus assets beyond their useful lives and to have them disposed of per the City of Gridley's surplus procedures.

Unit #	Year	Make	VIN	Mileage	License #
102	2010	Ford	2FABP7BV3AX123760	127,014	1349022
111	2011	Ford	2FABP7BV5BX101731	151,450	1329815
113	2011	Ford	2FABP7BV7BX101729	110,894	1329816
115	2011	Ford	2FABP7BV5BX101728	155,850	1329817
116	2011	Ford	2FABP7BV8BX182613	103,069	1349089

Background

The Police Department has five marked police vehicles that need to be surplus. The vehicles are one 2010 Ford Crown Victoria and four 2011 Crown Victoria, Police Interceptor model with high mileage and needed repairs that far exceed its value. After an internal evaluation of these vehicles, it was determined that the cost to benefit of repairing or maintaining the vehicle is not warranted. Therefore, keeping these vehicles in the police fleet would not be prudent and will be auctioned or sold through silent bid process following the City's surplus procedures. The vehicles have been well utilized and have provided over 14 years of police department use.

The vehicles will be sold following the City's surplus procedures.

The following is a proposed advertisement for the sale of the vehicles. The transfer of the California Department of Motor Vehicle registration title will occur once the City receives proof of payment after accepting an offer.

Public Notice

The City of Gridley is accepting offers to purchase a surplus (1) 2010 Ford Crown Victoria and (4) 2011 Ford Crown Victoria. The vehicles have been used by the

City's Police Department. The offer to sell the vehicles is at the sole discretion of the City of Gridley and any and all offers to purchase the vehicle may be refused. The vehicles can be inspected at the Gridley Police Department located at 685 Kentucky Street, Gridley, CA 95948. The sale, if made, will be "as is" and is final. The City makes no warrantee for the condition of the vehicle(s). If you have any questions regarding the purchase of these vehicles, please call City Hall at (530) 846-5695. Offers delivered to City Hall will be accepted until 5 p.m. on August 15, 2025.

Financial Impact

The vehicles will be sold through the sealed public bid process or sent to an auction company. It is difficult to anticipate the selling price per vehicle.

Compliance with City Council Strategic Plan or Budget Goals

This recommendation is consistent with our ongoing effort to be responsive and transparent regarding all business transactions and financial matters.

City Council Agenda Item #7
Staff Report

Date: July 21, 2025
To: Mayor and City Council
From: Elisa Arteaga, City Administrator
Subject: Approval of Temporary Access License Agreement with Farmland Reserve, Inc for Feather River Sewer Crossing Project

X	Regular
	Special
	Closed
	Emergency

Recommendation

City staff respectfully recommends that the City Council approve the attached draft Temporary Access License Agreement with Farmland Reserve, Inc. for the Feather River Sewer Crossing Project, in the amount of \$4,000. Due to the sensitive timeline and technical complexity of the project, staff further recommends that the Council authorize the City Administrator to negotiate and approve a contingency amount, if necessary, to address any unforeseen access-related issues.

Background

As part of the preliminary assessment for the potential relocation of a sanitary sewer line beneath the Feather River, the City of Gridley requires temporary access to a portion of property owned by Farmland Reserve, Inc. The proposed access will enable a geotechnical team to conduct soil borings to a depth of approximately 100 feet.

The work is critical to evaluating subsurface conditions in an area located outside the City's existing easements. The data collected will determine the feasibility of installing a new sanitary sewer force main beneath the Feather River riverbed, with the ultimate goal of abandoning the existing line currently located within the riverbed itself.

Financial Impact

The draft agreement includes a base cost of \$4,000 for two days of access. To maintain project momentum and avoid delays, staff is requesting that the City Council authorize the City Administrator to negotiate and approve any additional contingency costs beyond the \$4,000 amount, should unforeseen conditions necessitate extended access or other modifications.

Strategic Plan and Budget Alignment

This request supports the City Council's strategic priorities related to infrastructure reliability, public safety, and environmental stewardship. The project also aligns with long-term capital

improvement planning and efforts to ensure the safe and efficient delivery of essential services to the community.

Attachments

- Temporary Access License Agreement – Farmland Reserve, Inc.

TEMPORARY ACCESS LICENSE AGREEMENT

THIS TEMPORARY ACCESS LICENSE AGREEMENT (this “**Agreement**”) is entered into as of July __, 2025 (the “**Effective Date**”), by and between FARMLAND RESERVE, INC., a Utah nonprofit corporation (“**Licensor**”), and the CITY OF GRIDLEY, a California incorporated city (“**Licensee**”), sometimes referred to herein collectively as “**Parties**”, and individually as a “**Party**”.

RECITALS

A. Licensor owns certain real property located in Butte County, California, more particularly depicted on Exhibit A, attached hereto and incorporated herein by reference (the “**Licensor Property**”).

B. Licensee desires to obtain from Licensor a temporary license (the “**License**”) on, over, under, and across a portion of the Licensor Property, as more particularly depicted on Exhibit A (the “**License Area**”), for purposes of providing access for up to five (5) people and four (4) vehicles to bore beneath the ground surface to a depth of approximately 100 feet to test soils for a prospective relocation of a sewer line to cross the Feather River (the “**Intended Purpose**”).

C. Licensor is willing to grant the License to Licensee, subject to the terms and conditions set forth herein.

TERMS AND CONDITIONS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and based upon the mutual promises and subject to the conditions set forth below, the Parties agree as follows:

1. *Basic Terms.*

1.1	Licensor Property	DFC-Gridley Farm No. N/A Property No. 530-0711 County(ies): Butte State(s): California Total Acres: 12 acres	
1.2	Type of Access	<input checked="" type="checkbox"/> Vehicular <input checked="" type="checkbox"/> Pedestrian <input type="checkbox"/> Other:	
1.3	Term	The period of time from the Effective Date to August 15, 2025, unless earlier terminated as provided herein.	
1.4	Insurance Requirements	Class of Insurance	Required Amount
		Commercial General Liability	\$2,000,000 per occurrence and \$2,000,000 aggregate
		Commercial Automotive Liability	\$1,000,000
		Worker's Compensation and Employer's Liability Insurance	Workers' Compensation as required by applicable law; Employer's Liability of at least \$1,000,000

1.5	Licensor Notice Address	Farmland Reserve, Inc. Attn: Todd Turley 6100 Wilson Landing Rd. Chico, CA 95973 Email: tturley@agreserves.com With a copy to: Farmland Reserve, Inc. Attn: General Counsel 60 E. South Temple, Suite 1600 Salt Lake City, Utah 84111 Email: frilegal@farmlandreserve.org
1.6	Licensee Notice Address	City of Gridley Attn: Dave Harden 685 Kentucky St. Gridley, CA 95948 Tel: (530) 906-1806
1.7	Additional Provisions	The following additional provisions apply to this Agreement: This Agreement contemplates access for a two-day period – August 11 th and 12 th . Licensee shall provide Licensor notice of confirmation of this two-day period or specify another two-day period during the week of August 11 th to accomplish the Intended Purpose by close of business on August 6, 2025.

2. *Temporary License.*

2.1. Issuance of License. Licensor hereby grants to Licensee, without warranty, a non-exclusive, temporary, revocable license on, over, and across the License Area for the type of access indicated in Section 1.2 and the Intended Purpose (collectively, the “**License Activities**”).

2.2. Term. Unless otherwise specifically agreed to by Licensor and Licensee, the License granted by this Agreement shall commence on the Effective Date and continue thereafter until the earlier to occur of (i) the expiration date indicated in Section 1.3, (ii) written notice of termination by Licensor, or (iii) completion of the Intended Purpose (the “**Term**”).

2.3. Compensation. Licensee shall pay Licensor the amount of Two Thousand Dollars (\$2,000.00) to the address shown above in Section 1.5 in contemplation of access on Licensor Property for the Intended Purpose over a two-day period. Such amount shall be paid to Licensor within five (5) business days following the Effective Date. The parties further agree that if access beyond the two-day period is mutually agreed to, then Licensee shall pay Licensor an additional amount equivalent to One Thousand Dollars (\$1,000.00) for each additional day in which access is so granted.

3. *Access.* Licensee and its agents, servants, employees, consultants, contractors, and subcontractors (collectively, “**Licensee’s Agents**”) shall have the right to enter upon the License Area for the limited purposes permitted by this Agreement. Licensee and Licensee’s Agents shall enter upon the License Area at their sole risk and hazard. Licensee and Licensee’s Agents shall use the least

intrusive means possible to access the License Area from the Licenser Property, including, without limitation, the use of existing roadways and such other means as directed by Licenser in its sole and absolute discretion from time to time. Licensee shall further provide Licenser with notice of Licensee's intended dates of access as provided for in Section 1.7, above. Licensee, and its permitted successors and assigns, hereby release Licenser from any claims relating to the condition of the License Area and Licenser Property and the entry upon the License Area and Licenser Property by Licensee and Licensee's Agents.

4. *Reservation by Licenser.* Licenser hereby reserves the right to use the License Area for any use not inconsistent with Licensee's permitted use of the License Area. In addition, Licenser expressly reserves the right to grant or issue to others the right to use all or any portion of the License Area. Without limiting the foregoing, Licenser reserves the right to require the relocation of the License Area at any time, or from time to time, at Licenser's cost and expense. If the License Area is relocated as provided for in the previous sentence, then this Agreement shall be amended in order to terminate the License in its previous location and to grant the License in the new location.

5. *Condition of the License Area and Licenser Property.* Licensee accepts the License Area, Licenser Property, and all aspects thereof in "AS IS", "WHERE IS" condition, without warranties, either express or implied, "WITH ALL FAULTS", including, without limitation, both latent and patent defects, and the existence of hazardous materials, if any. Licensee hereby waives all warranties, express or implied, regarding the title, condition, and use of the License Area and Licenser Property, including, without limitation, any warranty of merchantability or fitness for a particular purpose. Without limiting the generality of the foregoing, the License Area is granted to Licensee subject to: (i) any state of facts which an accurate ALTA/ASCM survey (with Table A items) and physical inspection of the License Area might show; (ii) all zoning regulations, restrictions, rules, and ordinances, building restrictions, and other laws and regulations now in effect or hereafter adopted by any governmental authority having jurisdiction; and (iii) reservations, licenses, rights-of-way, covenants, conditions, restrictions, encroachments, liens, and encumbrances and all other matters of record or enforceable at law or in equity. Licensee shall obtain any and all consents, approvals, permissions, and agreements to cross, encumber, or encroach upon any other licenses or rights of others related to its use and improvement of the License Area.

6. *Maintenance, Restoration, and Crop Damage.*

6.1. General Maintenance and Restoration. Licensee shall promptly repair any damage to the Licenser Property and Licenser's improvements located thereon (including, without limitation, any and all landscaping, trees, fences, water and/or irrigation pipes, lines and ditches, curbs, gutters, asphalt surfaces, signs, lighting, buildings, etc.) caused by Licensee and/or Licensee's Agents, and shall restore Licenser Property and the improvements thereon to the same or better condition as they existed prior to any entry onto the Licenser Property by Licensee and Licensee's Agents.

6.2. Damage Fees. Licensee shall reimburse Licenser for any losses (including, without limitation, lost profits) and expenses due to crop damage, loss of rental income, or other loss or damage that results from Licensee's or Licensee's Agents': (i) entry onto or presence upon the Licenser Property; and (ii) failure to comply with any of the terms or conditions of this Agreement.

6.3. Security. Licenser and Licensee acknowledge that the access to the License Area is secured by a gate and lock (the "Gate"). Prior to entry on the License Area, Licensee shall coordinate with Licenser to ensure access on both days when access is desired per the

notice provided in Section 1.7, above. The Gate shall remain locked at all times when Licensee is not actively accessing the License Area, and in all instances, Licensee shall ensure the Gate is locked by 5:00 pm each day. In addition, Licensee acknowledges and agrees that hunting, fishing, and recreational camping are strictly prohibited on the Licensors Property. Licensee shall not take, remove, kill, or otherwise molest any wildlife on the Licensors Property or Licensors other real property. Licensee covenants that it will save Licensors harmless from any damage caused by Licensee and Licensees Agents to such wildlife and to promptly notify and reimburse Licensors for any such damage. Licensee shall at no time have dogs or firearms on the Licensors Property or Licensors other real property. Licensee shall at no time cause any fires to be set on the Licensors Property or Licensors other real property.

7. *Hazardous Substances.* Except for motor fuels used by vehicles and construction equipment, Licensee agrees not to transport, generate, store, dispose of, release, or use any Hazardous Substances on the Licensors Property. As used in this Agreement, the term “**Hazardous Substances**” means all hazardous and toxic substances, wastes or materials, including without limitation, hydrocarbons (including naturally occurring or man-made petroleum and hydrocarbons), flammable materials, explosives, urea formaldehyde insulation, radioactive materials, biologically hazardous substances, PCBs, pesticides, herbicides, and any other kind and/or type of pollutants or contaminants (including, without limitation, asbestos and raw materials which include hazardous constituents), sewage sludge, industrial slag, solvents and/or any other similar substances or materials which, because of toxic, flammable, ignitable, explosive, corrosive, reactive, radioactive, or other properties may be hazardous to human health or the environment and/or are included under, subject to or regulated by any Hazardous Waste Laws. Licensee agrees to immediately notify Licensors of any leaking or spillage of Hazardous Substances on the Licensors Property. Licensee shall be exclusively liable for all cleanup and remediation costs thereof.

As used in this Agreement, the term “**Hazardous Waste Laws**” means any and all present and future applicable (i) federal, state and local statutes, laws, rules or regulations governing Hazardous Substances; (ii) judicial or administrative interpretations thereof, including any judicial or administrative orders or judgments; and (iii) ordinances, codes, plans, injunctions, decrees, permits, demand letters, concessions, grants, franchises, licenses, agreements, notices, or other governmental restrictions, relating to the protection of the public health, welfare, and the environment, or to any actual, proposed or threatened storage, holding, existence, release, emission, discharge, spilling, leaking, pouring, pumping, injection, dumping, discarding, burying, abandoning, generation, processing, abatement, treatment, removal, disposition, handling, transportation or other management of any Hazardous Substance or any other activity or occurrence that causes or would cause any such event to exist.

8. *Liens.* Licensee shall keep the Licensors Property free from any liens arising out of any work performed, materials furnished, or obligations incurred by, through, for, or under Licensee, and shall indemnify, hold harmless, and agree to defend Licensors from any liens that may be placed on the Licensors Property pertaining to any work performed, materials furnished, or obligations incurred by, through, for, or under Licensee or any of Licensees Agents. Any such liens shall be released of record within thirty (30) days.

9. *Insurance.* Licensee shall maintain in full force and effect the insurance policies and coverages set forth in Section 1.4. Additionally, Licensee will ensure that prior to entering onto the License Area or the Licensors Property, all of Licensees Agents and other such parties who make use of the License Area are either covered under the terms of Licensees insurance policies, or that each obtain similar policies and which, at a minimum, provide Licensors the same protections. Licensee agrees to obtain and maintain the following insurance coverages and policies:

9.1. Liability Insurance Coverage and Limits. A commercial general liability insurance policy insuring Licensee's interests against claims for personal injury, bodily injury, death, property damage occurring on, in, or about the License Area, Licensors Property, and the ways immediately adjoining the License Area and Licensors Property, with a "Combined Single Limit" covering personal injury liability, bodily injury liability, and property damage liability in the amount set forth in Section 1.4. Licensors and its partners, subsidiaries, and affiliates must be endorsed as an additional insured on such policy on ISO Form CG 20 10 (10/93) or its equivalent. The coverage set forth above shall be primary coverage, non-contributory, and shall apply specifically to the License Area, Licensors Property, and adjacent areas.

9.2. Workers' Compensation Insurance. All Workers' Compensation and Employers' Liability Insurance required under applicable Workers' Compensation Acts and/or applicable law. In addition, Licensee shall maintain Employers' Liability Insurance in the amount set forth in Section 1.4.

9.3. Automobile Insurance. Automobile Liability Insurance in the amount set forth in Section 1.4, Combined Single Limit per accident, and coverage applying to "Any Auto."

9.4. Waiver. Licensee hereby waives and shall cause their respective insurance carriers to waive any and all rights of subrogation, recovery, claims, actions, or causes of action against Licensors for any loss or damage with respect to Licensee's property, including, without limitation, rights, claims, actions, and causes of action based on negligence, which loss or damage is, or would have been, had the insurance required by this Agreement been carried, covered by insurance.

9.5. Additional Terms. Neither the amount nor the scope of any of the obligations of Licensee under this Agreement or otherwise, shall be limited to the amount of the insurance Licensee is required to maintain hereunder. Any policies or certificates of insurance required under the provisions of this Section must contain an endorsement or provision that not less than thirty (30) days' prior written notice is given to Licensors prior to cancellation or reduction of coverage or amount of such policy. A certificate issued by the insurance carrier of each policy of insurance required to be maintained by Licensee, stating the limits and other provisions required hereunder and in a form reasonably acceptable to Licensors, shall be delivered to Licensors within ten (10) days of the date set forth above, and thereafter not later than thirty (30) days prior to the expiration of the term of each such policy. Any policies required hereunder may be made a part of a blanket policy of insurance, so long as such blanket policy contains all of the provisions required herein and does not in any way reduce the coverage, impair the rights of Licensors hereunder or negate the requirements of this Agreement.

10. *Compliance with Laws.* Licensee shall comply with all present and future laws, statutes, codes, acts, ordinances, rules, regulations, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions, and requirements of and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, and officers, foreseen or unforeseen, ordinary or extraordinary, including, without limitation, any building, zoning, land use, and Hazardous Waste Laws (collectively "**Law(s)**").

11. *Indemnification.* Licensee shall indemnify, defend with counsel of Licensors's choice, and hold Licensors and its employees, officers, directors, shareholders, owners, divisions, subsidiaries, partners, members, managers, and affiliated companies and entities and its and their employees, officers, directors, shareholders, owners, divisions, subsidiaries, partners, members, managers, agents,

representatives, and professional consultants and its and their respective successors and assigns (collectively, the “**Indemnitees**”) harmless from and against any loss, damage, injury, accident, fire, or other casualty, liability, claim, cost, or expense (including, without limitation, reasonable attorney fees and costs) of any kind or character to any person or property, including, without limitation, the property of the Indemnitees (collectively, the “**Claims**” or a “**Claim**”), from or by any unaffiliated third party, Licensee, and/or Licensee’s Agents, arising from or relating to (i) any use of the License Area, Licensors Property, and/or adjacent areas by Licensee or Licensee’s Agents; (ii) any act or omission of Licensee or any of Licensee’s Agents; (iii) any bodily injury, property damage, accident, fire, or other casualty to or involving Licensee or Licensee’s Agents and its or their property on the License Area, Licensors Property, and/or adjacent areas; (iv) any violation or alleged violation by Licensee or Licensee’s Agents of any Law; (v) any failure of Licensee to maintain the License Area and/or Licensors Property in a safe condition; (vi) any loss or theft whatsoever of any property or anything placed or stored by Licensee or Licensee’s Agents on or about the License Area, Licensors Property, and/or adjacent areas; (vii) any breach by Licensee of its obligations under this Agreement; and (viii) any enforcement by Licensors of any provision of this Agreement and any cost of removing Licensee from the License Area, Licensors Property, or restoring the same as provided herein; *provided, however*, that the foregoing indemnity shall not apply to the extent any such Claim is ultimately established by a court of competent jurisdiction to have been caused solely by gross negligence or willful misconduct of the Indemnitees. Licensee, as a material part of the consideration of this Agreement, waives all claims or demands against Licensors and the other Indemnitees for any such loss, damage, or injury of Licensee or Licensee’s property. The indemnity provided by Licensee in favor of the Indemnitees in this Agreement shall not require payment as a condition precedent. The terms and conditions of this provision shall remain effective, notwithstanding the expiration or termination of this Agreement.

12. *Attorney Fees.* If this Agreement or any provision hereof shall be enforced by an attorney retained by a Party hereto, whether by suit or otherwise, the reasonable fees and costs of the attorney for the prevailing Party shall be paid by the losing Party, including, without limitation, fees and costs incurred upon appeal or in bankruptcy court.

13. *Notices.* All notices referred to in this Agreement shall be sent to the respective parties at the addresses stated below. Any notice required or desired to be given under this Agreement shall be deemed given: (i) when delivered in person to the recipient named below; (ii) three (3) business days after deposit in the United States mail in a sealed envelope or container, either registered or certified mail, return receipt requested, postage prepaid, addressed by name to the person and party intended; or (iii) one (1) business day after deposit with a nationally recognized overnight courier. All notices shall be given at the addresses indicated in Sections 1.5 and 1.6. Either Party may designate a different individual or address for notices, by giving written notice thereof in the manner described above. Notwithstanding the above, notice for purposes provided for in Section 1.7, above, may be given via email to Licensors at the email address provided in Section 1.5, above.

14. *Default by Licensee.* If Licensee has defaulted or is in default or breach of any of its obligations stated herein, Licensors, at its option, may take any or all of the following actions without limitation: (i) pursue any remedy available at law or in equity; (ii) pursue the remedy of specific performance or injunction; (iii) seek declaratory relief; (iv) pursue an action for damages for loss; and/or (v) terminate this Agreement and the License.

15. *No Public Use/Dedication.* The Licensors Property is and shall at all times remain the private property of Licensors. The use of the Licensors Property is permissive and shall be limited to the express purposes contained herein by Licensee. Neither Licensee, nor its permitted successors or

assigns, nor the public shall acquire nor be entitled to claim or assert any rights to the Licensor Property beyond the express terms and conditions of this Agreement.

16. *No Third-Party Beneficiaries.* In assuming and performing the obligations of this Agreement, Licensor and Licensee are each acting as independent parties and neither shall be considered or represent itself as a joint venturer, partner, agent, or employee of the other. There is no intent by either Party to create or establish third-party beneficiary status or rights in any third party. This Agreement shall not be deemed to confer any rights upon any individual or entity which is not a party hereto, and Licensor and Licensee expressly disclaim any such third-party benefit.

17. *Authorization.* Each individual executing this Agreement represents and warrants that she/he has been duly authorized by appropriate action of the governing body of the Party for which she/he signs to execute and deliver this Agreement in the capacity and for the entity set forth where she/he signs and that as a result of her/his signature, this Agreement shall be binding upon the Party for which she/he signs.

18. *Miscellaneous.* This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations, and understandings of the Parties hereto, oral or written, are hereby superseded and merged herein. No supplement, modification, or amendment of this Agreement shall be binding unless in writing and executed by the Parties hereto. This Agreement shall be construed in accordance with and governed by the laws of the state in which the Licensor Property is located. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver. Licensee shall not sell, assign, transfer, subcontract, or delegate any rights or obligations under this Agreement without the prior written consent of Licensor, which consent Seller may grant or withhold in its sole and absolute discretion. Licensor may freely assign this Agreement without the consent of Licensee. The terms and conditions of this Agreement shall be binding upon the permitted successors and assigns of the Parties. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions hereof. The Recitals set forth above are incorporated into this Agreement by reference. If any provision of this Agreement or the application thereof to any person, place, or circumstance, shall be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect; *provided, however*, that in the event the invalidity or unenforceability of any provision of this Agreement has a material adverse effect on either Party, the adversely effected Party will have the right to terminate this Agreement immediately, without any further liability or obligation. This Agreement is the result of negotiations among the Parties, none of whom has acted under any duress or compulsion, whether legal, economic, or otherwise. Accordingly, the terms and provisions hereof shall be construed in accordance with their usual and customary meanings. Each Party hereby waives the application of any rule of law which otherwise would be applicable in connection with the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the Party who (or whose attorney) prepared this Agreement or any earlier draft of the same. As used herein, all words in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular, as the context may require. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. Licensee covenants and agrees that, subsequent to the execution and delivery of this Agreement and without any additional consideration, Licensee shall execute and deliver any further legal instruments and perform any acts that are, or may become, necessary to effectuate the purposes of this Agreement. Licensee shall not record this Agreement.

[Signatures Follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

LICENSOR:

LICENSEE:

Farmland Reserve, Inc., a Utah nonprofit corporation City of Gridley, a California incorporated city

Name: _____

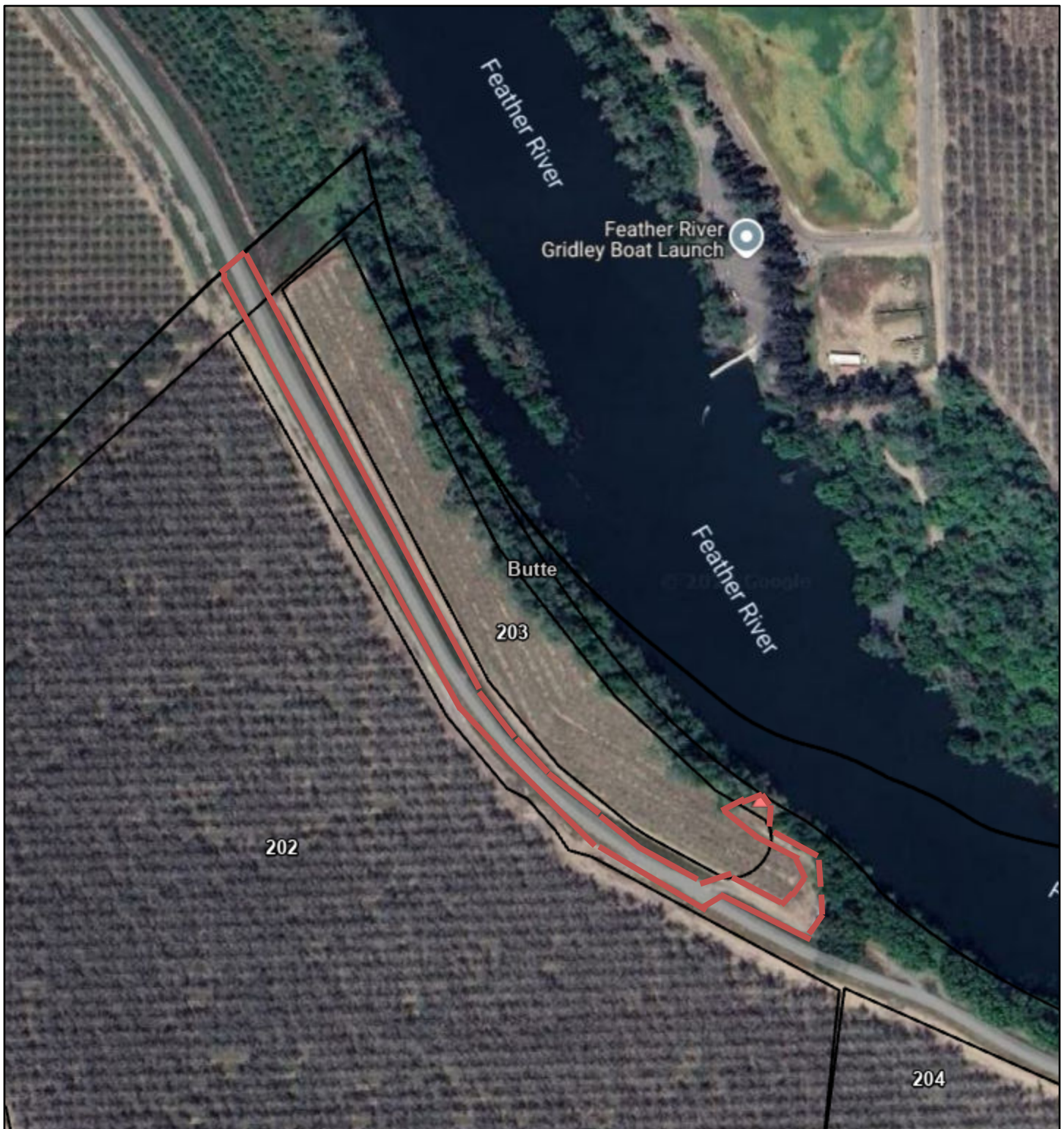
Name: _____

Its: _____




Its: _____

DRAFT

License Area

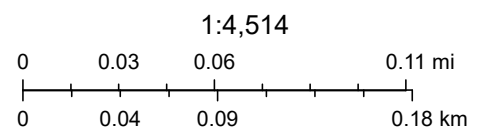


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-  DFC Overall Boundaries From County Parcels
-  DFC Blocks - Outlines Only
-  CA Counties

DFC Wells

-  Unknown Irrigation Feature



Google, 2016-2019

Licensors Property



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DFC Overall Boundaries From County Parcels

DFC Blocks - Outlines Only

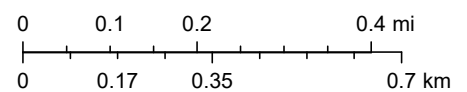
CA Counties

DFC Wells

Active

Domestic

Unknown Irrigation Feature



Google, 2016-2019

Created by MapHub

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City Council Agenda Item #8
Staff Report

Date: 7/21/2025

To: Mayor and City Council

From: Elisa Arteaga, City Administrator

Subject: Approval of PCC1 REC Transaction Confirmation Third Phase Agreement

X	Regular
	Special
	Closed
	Emergency

Recommendation

Staff recommends that the City Council approve Third Phase Agreement for PCC 1 REC Transaction Confirmation with the City of Santa Clara (Third Phase Agreement) and authorize the Michael Farr, Mayor to execute said agreement.

Background

On May 22, 2025, the NCPA Commission approved the two above-referenced agreements to facilitate a purchase of Portfolio Content Category 1 (PCC 1) Renewable Energy Credits (RECs) between NCPA and the City of Santa Clara.

These documents allow NCPA to act on behalf of its member utilities, including the City of Gridley, in securing long-term renewable resources that are compliant with the California Renewables Portfolio Standard (RPS) program.

The Purchase Agreement and Third Phase Agreement serve the following purposes:

- Enable NCPA to procure PCC 1 RECs from the City of Santa Clara.
- Ensure that the RECs qualify as long-term procurement commitments under the California RPS.
- Assist member cities—specifically Biggs and Gridley—in meeting their state-mandated renewable energy procurement targets.

PCC 1 RECs are considered the most valuable type of renewable energy credits because they represent energy that is both generated and delivered to the California grid, providing maximum RPS compliance benefits.

These agreements also reflect NCPA's continuing strategy to secure cost-effective, long-term renewable resources for its members while maintaining compliance with evolving state regulatory requirements.

Financial Impact

Costs associated with the purchase of PCC 1 RECs be incorporated into future adopted fiscal budgets for power purchasing.

Compliance with City Council Strategic Plan or Budget Goals

This action aligns with the City Council's Strategic Plan and Budget Goals by supporting fiscal responsibility through the pursuit of external funding opportunities to reduce reliance on City funds and enhancing operational efficiency by delegating specialized tasks to expert consultants, allowing City staff to focus on core responsibilities.

Attachments

Third Phase Agreement for PCC1REC Transaction Confirmation with the City of Santa Clara

**THIRD PHASE AGREEMENT
FOR
PCC 1 REC TRANSACTION CONFIRAMTION
WITH
CITY OF SANTA CLARA**

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This THIRD PHASE AGREEMENT ("this Agreement") is dated as of _____, 20__ by and among the Northern California Power Agency, a joint powers agency of the State of California ("NCPA"), and the signatories to this Agreement other than NCPA ("Participants"). NCPA and the Participants are referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. NCPA has heretofore been duly established as a public agency pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California and, among other things, is authorized to acquire, construct, finance, and operate buildings, works, facilities, and improvements for the generation and transmission of electric capacity and energy for resale.

B. Each of the Participants is a signatory to the Joint Powers Agreement which created NCPA and therefore is a Member.

C. Each of the Participants to this Agreement have executed the Amended and Restated Facilities Agreement, dated October 1, 2014, which establishes the framework under which Project Agreements are created for the development, design, financing, construction, and operation of specific NCPA Projects.

D. For the benefit of the Participants' customers the Participants desire NCPA to enter into the following agreement: Western Systems Power Pool Agreement Confirmation

between City of Santa Clara, a chartered California municipal corporation, dba Silicon Valley Power (“Seller”) and Northern California Power Agency, to purchase renewable energy (“RPS Confirmation”). The RPS Confirmation is also referred to herein as the Purchase Agreement, and is attached hereto as Exhibit B.

E. Each Participant is authorized by its Constitutive Documents to obtain electric capacity and energy for its present or future requirements, through contracts with NCPA or otherwise.

F. To enable NCPA to enter into the Purchase Agreement on behalf of the Participants, pursuant to the terms and conditions of the Amended and Restated Facilities Agreement, NCPA and the Participants wish to enter into this Agreement to provide all means necessary for NCPA to fulfill obligations incurred on behalf of NCPA and the Participants pursuant to the Purchase Agreement, and to enable and obligate the Participants to take delivery of and pay for such electric capacity and energy and to pay NCPA for all costs it incurs for undertaking the foregoing activities.

G. Upon full execution of this Agreement, NCPA will enter into the Purchase Agreement on behalf of the Participants, and such Purchase Agreement shall be deemed a NCPA Project by the Commission.

H. Each of the Parties intends to observe the provisions of this Agreement in good faith and shall cooperate with all other Parties in order to achieve the full benefits of joint action.

I. The Parties desire to equitably allocate costs of NCPA's provision of services under this Agreement among the Participants.

J. The Participants further desire, insofar as possible, to insulate other Members who are not Participants, from risks inherent in the services and transactions undertaken on behalf of the Participants pursuant to this Agreement.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Definitions.

1.1 Definitions. Whenever used in this Agreement (including the Recitals hereto), the following terms shall have the following respective meanings, provided, capitalized terms used in this Agreement (including the Recitals hereto) that are not defined in Section 1 of this Agreement shall have the meaning indicated in Section 1 of the Power Management and Administrative Services Agreement, dated October 1, 2014:

1.1.1 "Administrative Services Costs" means that portion of the NCPA administrative, general and occupancy costs and expenses, including those costs and expenses associated with the operations, direction and supervision of the general affairs and activities of NCPA, general management, treasury operations, accounting, budgeting, payroll, human resources, information technology, facilities management, salaries and wages (including retirement benefits) of employees, facility operation and maintenance costs, taxes and payments in lieu of taxes (if any), insurance premiums, fees for legal, engineering, financial and other services, power management services,

general settlement and billing services and general risk management costs, that are charged directly or apportioned to the provision of services under this Agreement. Administrative Services Costs as separately defined herein and used in the context of this Agreement is different and distinct from the term Administrative Services Costs as defined in Section 1 of the Power Management and Administrative Services Agreement.

1.1.2 "Agreement" means this Third Phase Agreement, including all Exhibits attached hereto.

1.1.3 "All Resources Bill" has the meaning set forth in the Power Management and Administrative Services Agreement.

1.1.4 "CAISO" means the California Independent System Operator Corporation, or its functional successor.

1.1.5 "CAISO Tariff" means the duly authorized tariff, rules, protocols and other requirements of the CAISO, as amended from time to time.

1.1.6 "Commission" has the meaning set forth in the Power Management and Administrative Services Agreement.

1.1.7 "Constitutive Documents" means, with respect to NCPA, the Joint Powers Agreement and any resolutions or bylaws adopted thereunder with respect to the governance of NCPA, and with respect to each Participant, the California Government Code and other statutory provisions applicable to such Participant, any

applicable agreements, charters, contracts, or other documents concerning the formation, operation or decision making of such Participant, including, if applicable, its city charter, and any codes, ordinances, bylaws, and resolutions adopted by such Participant's governing body.

1.1.8 "Defaulting Participant" has the meaning set forth in Section 7.2.

1.1.9 "Electric System" has the meaning set forth in the Power Management and Administrative Services Agreement.

1.1.10 "Event of Default" has the meaning set forth in Section 7.2.

1.1.11 "General Operating Reserve" means the NCPA General Operating Reserve created through resolution of the Commission, as the same may be amended from time to time.

1.1.12 "NCPA" has the meaning set forth in the Recitals hereto.

1.1.13 "Participants" are the city of Biggs and the city of Gridley.

1.1.14 "Power Management and Administrative Services Agreement" means the NCPA Power Management and Administrative Services Agreement, dated as of October 1, 2014 between NCPA and the Members who are signatories to that agreement by which NCPA provides Power Management and Administrative Services.

1.1.15 "Products" means renewable energy product and associated attributes which are defined as "Product" in the Purchase Agreement.

1.1.16 "Purchase Agreement" have the meaning set forth in Recital D of this Agreement. Upon final execution of the Purchase Agreement, the Purchase Agreement shall be deemed a NCPA Project in accordance with the Amended and Restated Facilities Agreement, and therefore be referred to herein as the "Project".

1.1.17 "Project Costs" means all costs charged to and paid by NCPA pursuant to the Purchase Agreement.

1.1.18 "Project Participation Percentage" has the meaning set forth in the Power Management and Administrative Services Agreement, and are set forth in Exhibit A of this Agreement.

1.1.19 "Party" or "Parties" has the meaning set forth in the preamble hereto; provided that "Third Parties" are entities that are not Party to this Agreement.

1.1.20 "Revenue" means , with respect to each Participant, all income, rents, rates, fees, charges, and other moneys derived by the Participant from the ownership or operation of its Electric System, including, without limiting the generality of the foregoing: (a) all income, rents, rates, fees, charges or other moneys derived from the sale, furnishing and supplying of electric capacity and energy and other services, facilities, and commodities sold, furnished, or supplied through the facilities of its Electric System; (b) the earnings on and income derived from the investment of such income, rents, rates, fees, charges or other moneys to the extent that the use of such earnings and income is limited by or pursuant to law to its Electric System; (c) the

proceeds derived by the Participant directly or indirectly from the sale, lease or other disposition of all or a part of the Electric System; and (d) the proceeds derived by Participant directly or indirectly from the consignment and sale of freely allocated greenhouse gas compliance instruments into periodic auctions administered by the State of California under the California Cap-and-Trade Program, provided that such proceeds are a permitted use of auction proceeds, but the term Revenues shall not include (i) customers' deposits or any other deposits subject to refund until such deposits have become the property of the Participant or (ii) contributions from customers for the payment of costs of construction of facilities to serve them.

1.1.21 "Scheduling Protocols" means the applicable provisions of the Amended and Restated Scheduling Coordination Program Agreement, and any other contractual or other arrangements between NCPA and the Participants concerning the scheduling, delivery and metering of the Purchase Agreement.

1.1.22 "Security Deposit" means the account established by NCPA and funded by the Participants in accordance with Section 5, the funds of which are available for use by NCPA in accordance with the terms and conditions hereof.

1.1.23 "Seller" means City of Santa Clara, a chartered California municipal corporation, dba Silicon Valley Power, as set forth in Recital D of this Agreement, or as otherwise set forth in the Purchase Agreement.

1.1.24 "Term" has the meaning set forth in Section 10.

1.1.25 “Third Party” means an entity (including a Member) that is not Party to this Agreement.

1.2 Rules of Interpretation. As used in this Agreement (including the Recitals hereto), unless in any such case the context requires otherwise: The terms “herein,” “hereto,” “herewith” and “hereof” are references to this Agreement taken as a whole and not to any particular provision; the term “include,” “includes” or “including” shall mean “including, for example and without limitation;” and references to a “Section,” “subsection,” “clause,” “Appendix”, “Schedule”, or “Exhibit” shall mean a Section, subsection, clause, Appendix, Schedule or Exhibit of this Agreement, as the case may be. All references to a given agreement, instrument, tariff or other document, or law, regulation or ordinance shall be a reference to that agreement, instrument, tariff or other document, or law, regulation or ordinance as such now exists and as may be amended from time to time, or its successor. A reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having a separate legal personality and includes its successors and permitted assigns. A reference to a “day” shall mean a Calendar Day unless otherwise specified. The singular shall include the plural and the masculine shall include the feminine, and *vice versa*.

Section 2. Purpose. The purpose of this Agreement is to: (i) set forth the terms and conditions under which NCPA shall enter into the Purchase Agreement on behalf of the

Participants, (ii) authorize NCPA, acting on behalf of the Participants, to engage in all activities related to that basic purpose, and (iii) specify the rights and obligations of NCPA and the Participants with respect to the Purchase Agreement.

Section 3. Sale and Purchase of Products. By executing this Agreement, each Participant acknowledges and agrees to be bound by the terms and conditions of the Agreement, and that the Agreement is written as a “take-or-pay” agreement. Any Products delivered to NCPA under the Purchase Agreement shall be delivered to each Participant in proportion to such Participant’s Project Participation Percentage as set forth in Exhibit A, and each Participant shall accept and pay for its respective percentage of such Products. To the extent a Participant is unable to accept such deliveries in full, NCPA shall dispose of such surplus in its sole discretion, in such a manner to attempt to maximize Participant value and that Participant shall reimburse to NCPA any costs incurred by NCPA in doing so. Notwithstanding the above, NCPA may allocate Products procured through the Purchase Agreement among the Participants in such percentages as NCPA may, in its reasonable discretion, determine are necessary, desirable, or appropriate, in order to accommodate Participant transfer rights pursuant to Section 9.

3.1 **Scheduling.** Products delivered from Seller shall be scheduled for and to the Participants in accordance with Scheduling Protocols, and the terms and conditions of the Purchase Agreement.

Section 4. Billing and Payments

4.1 Participant Payment Obligations. Each Participant agrees to pay to NCPA each month its respective portion of the Project Costs, Administrative Services Costs, scheduling coordination costs, and all other costs for services provided in accordance with this Agreement and the Amended and Restated Facilities Agreement. In addition to the aforementioned monthly payment obligations, each Participant is obligated to fund: (i) any and all required Security Deposits calculated in accordance with Section 5, and (ii) any working capital requirements for the Project maintained by NCPA as determined, collected and set forth in the Annual Budget.

4.2 Invoices. NCPA will issue an invoice to each Participant for its share of Project Costs, Administrative Services Costs, scheduling coordination costs, and all other costs for services provided in accordance with this Agreement and the Amended and Restated Facilities Agreement. Such invoice may be either the All Resources Bill or separate special invoice, as determined by NCPA. At NCPA's discretion, invoices may be issued to Participants using electronic media or physical distribution.

4.3 Payment of Invoices. All invoices delivered by NCPA (including the All Resources Bill) are due and payable thirty (30) Calendar Days after the date thereof; provided, however, that any amount due on a day other than a Business Day may be paid on the following Business Day.

4.4 Late Payments. Any amount due and not paid by a Participant in accordance with Section 4.3 shall be considered late and bear interest computed on a daily basis until paid at the lesser of (i) the per annum prime rate (or reference rate) of the Bank of America NT&SA then in effect, plus two percent (2%) or (ii) the maximum rate permitted by law.

4.5 Billing Disputes. A Participant may dispute the accuracy of any invoice issued by NCPA under this Agreement by submitting a written dispute to NCPA, within thirty (30) Calendar Days after the date of such invoice; nonetheless the Participant shall pay the full amount billed when due. If a Participant does not timely question or dispute the accuracy of any invoice in writing, then the invoice shall be deemed to be correct. Upon review of a submitted dispute, if an invoice is determined by NCPA to be incorrect, then NCPA shall issue a corrected invoice and refund any amounts that may be due to the Participant. If NCPA and the Participant fail to agree on the accuracy of an invoice within thirty (30) Calendar Days after the Participant has disputed it, then the General Manager shall promptly submit the dispute to the Commission for resolution. If the Commission and the Participant fail to agree on the accuracy of a disputed invoice within sixty (60) Calendar Days after its submission to the Commission, then the dispute may then be resolved under the mediation and arbitration procedures set forth in Section 12 of this Agreement; provided, however, that prior to resorting to either mediation or arbitration proceedings, the full amount of the disputed invoice must be paid by the Participant.

4.6 Billing/Settlement Data and Examination of Books and Records.

4.6.1 Settlement Data. NCPA shall make billing and settlement data available to the Participants in the All Resources Bill, or other invoice, or upon request. NCPA may also, at its sole discretion, make billing and settlement support information available to Participants using electronic media (e.g. electronic data portal). Procedures and formats for the provision of such electronic data submission may be established by the Commission from time to time. Without limiting the generality of the foregoing, NCPA may, in its reasonable discretion, require the Participants to execute a non-disclosure agreement prior to providing access to the NCPA electronic data portal.

4.6.2 Examination of Books and Records. Any Participant to this Agreement shall have the right to examine the books and records created and maintained by NCPA pursuant to this Agreement at any reasonable, mutually agreed upon time.

Section 5. Security Deposit Administration

5.1 Security Deposit Requirements. Each Participant agrees that any funds deposited at NCPA to satisfy Participant's Security Deposit requirements pursuant to this Agreement shall be irrevocably committed and held by NCPA in the General Operating Reserve, and that such funds may be used by NCPA in accordance with Section 5.1.3. Each Participant's Security Deposit will be accounted separately from and in addition to any other security accounts or deposits maintained pursuant to any other agreement

between NCPA and the Participant, or any other such security account or deposits required of Members. In connection with fulfilling the Security Deposit requirements of this Agreement, Participant may elect to use its uncommitted funds held in the General Operating Reserve to satisfy in whole or in part its Security Deposit required under Section 5. If Participant chooses to satisfy in whole or in part its security requirements using its uncommitted funds held in the General Operating Reserve, then Participant is required to execute and deliver to NCPA an Irrevocable Letter of Direction, directing NCPA to utilize Participant's uncommitted General Operating Reserve funds for such purposes, and the designated funds will thereafter be irrevocably committed and held by NCPA to satisfy the requirements of this Agreement.

5.1.1 Initial Amounts. No later than 30 days after the effective date of the Purchase Agreement, each Participant shall ensure that sufficient Security Deposit funds have been deposited with and are held by NCPA in an amount equal to no less than the highest three (3) months of estimated Project Costs, as estimated by NCPA. Such Security Deposit requirement may be satisfied by Participant in whole or part either in cash, through irrevocable commitment of its uncommitted funds held in the General Operating Reserve in accordance with Section 5.1, or through a clean, irrevocable letter of credit satisfactory to NCPA's General Manager.

5.1.2 Subsequent Deposits. Periodically, and at least quarterly, NCPA shall review and revise its estimate of Project Costs for which Participant shall be

obligated to pay under this Agreement. Following such review, NCPA shall determine whether each Participant has a sufficient Security Deposit balance at NCPA. To the extent that any Participant's Security Deposit balance is greater than one hundred and ten percent (110%) of the amount required herein, NCPA shall credit such amount as soon as practicable to the Participant's next following All Resources Bill, or by separate special invoice. To the extent that any Participant's Security Deposit balance is less than ninety percent (90%) of the amount required herein, NCPA shall add such amount as soon as practicable to such Participant's next All Resources Bill, or as necessary, to a special invoice to be paid by Participant upon receipt. Credits or additions shall not be made to Participants who satisfy these Security Deposit requirements in whole through the use of a letter of credit; provided, that the amount of the letter of credit shall be adjusted, as required from time to time, in a like manner to assure an amount not to exceed the highest three (3) months of estimated Project Costs is available to NCPA, as determined by NCPA.

5.1.3 Use of Security Deposit Funds. NCPA may use any and all Security Deposit funds held by NCPA (or utilize a letter of credit provided in lieu thereof) to pay any costs it incurs hereunder, including making payments to Seller, without regard to any individual Participant's Security Deposit balance or proportionate share of Project Costs, and irrespective of whether NCPA has issued an All Resources Bill or special invoice for such costs to the Participants or whether a

Participant has made timely payments of All Resources Bills or special invoices.

Should Participant have satisfied its Security Deposit requirements in whole or part through a letter of credit, NCPA may draw on such letter of credit to satisfy

Participant's obligations hereunder at NCPA's sole discretion. Notwithstanding the foregoing, if any Participant fails to pay any costs incurred by NCPA pursuant to this Agreement, NCPA shall first use that non-paying Participant's Security Deposit and shall not use any other Participants' Security Deposit until such non-paying Participant's Security Deposit has been exhausted.

5.1.4 Accounting. If Security Deposit funds or a letter of credit are used by NCPA to pay any costs it incurs hereunder as described in Section 5.1.3, then NCPA will maintain a detailed accounting of each Participant's shares of funds withdrawn, and upon the collection of all or a part of such withdrawn funds, NCPA will credit back to each non-defaulting Participant the funds collected in proportion to such non-defaulting Participant's share of funds initially withdrawn.

5.1.5 Emergency Additions. In the event that funds are withdrawn pursuant to Section 5.1.3, or if the Security Deposit held by NCPA is otherwise insufficient to allow for NCPA to pay any invoice, demand, request for further assurances by Seller, or claims, NCPA shall notify all Participants of the deficiency. In conjunction with such notice, NCPA shall send a special or emergency assessment invoice to the Participant or Participants that caused or are otherwise responsible for

the deficiency. Each Participant of such an invoice shall pay to NCPA such assessment when and if assessed by NCPA within two (2) Business Days of the invoice date of the assessment, or shall consent to and direct NCPA to draw on any existing letter of credit Participant has established for such purposes. In the event that the Participant or Participants that caused or are otherwise responsible for the deficiency cannot, does not or will not pay to NCPA the special or emergency assessment within two (2) Business Days after the invoice date, NCPA shall immediately submit a special or emergency invoice to all remaining Participants, and such remaining Participants shall pay to NCPA such assessment within two (2) Business Days after the invoice date of the assessment, or shall consent to and direct NCPA to draw on any existing letter of credit that Participant has established for such purposes.

5.1.6 Security Deposit Interest. NCPA shall maintain a detailed accounting of each Participant's Security Deposits, and withdrawals of such funds, held by NCPA. Security Deposits held by NCPA shall be invested by NCPA in accordance with the General Operating Reserve policies and investment policies adopted by the NCPA Commission. Interest earned on the Security Deposit funds shall be proportionately credited to the Participants in accordance with their weighted average balances held therein. Any Security Deposit losses caused by early termination of investments shall be allocated among the Participants in accordance with the General Operating Reserve provisions and guidelines approved by the

Commission, as the same may be amended from time to time; provided, however, to the extent that either the General Operating Reserve provisions and guidelines do not apply or the Security Deposit is not adequate to cover the losses, then such losses shall be allocated among the Participants in accordance with their proportionate Security Deposit balances.

5.1.7 Return of Funds. Upon termination or a permitted withdrawal of a Participant in accordance with this Agreement, the affected Participant may apply to NCPA for the return of their share of Security Deposit funds ninety (90) days after the effective date of such termination or withdrawal. However, NCPA shall, in its sole but reasonable discretion, as determined by the NCPA General Manager, estimate the then outstanding liabilities of the Participant, including any estimated contingent liabilities and shall retain all such funds, if any, until all such liabilities have been fully paid or otherwise satisfied in full. After all such liabilities have been satisfied in full, as determined by NCPA's General Manager, any remaining balance of the Participant's share of the Security Deposit will be refunded to the Participant within sixty (60) days thereafter.

Section 6. Cooperation and Further Assurances. Each of the Parties agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by any other Party which are consistent with the provisions of this Agreement and which do not involve the assumption

of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of this Agreement. The Parties agree to cooperate and act in good faith in connection with obtaining any credit support required in order to satisfy the requirements of this Agreement.

Section 7. Participant Covenants and Defaults

7.1 Each Participant covenants and agrees: (i) to make payments to NCPA, from its Electric System Revenues, of its obligations under this Agreement as an operating expense of its Electric System; (ii) to fix the rates and charges for services provided by its Electric System, so that it will at all times have sufficient Revenues to meet the obligations of this Agreement, including the payment obligations; (iii) to make all such payments due NCPA under this Agreement whether or not there is an interruption in, interference with, or reduction or suspension of services provided under this Agreement, such payments not being subject to any reduction, whether by offset or otherwise, and regardless of whether any reasonable dispute exists; and (iv) to operate its Electric System, and the business in connection therewith, in accordance with Good Utility Practices.

7.2 Events of Default. An Event of Default under this Agreement shall exist upon the occurrence of any one or more of the following by a Participant (the “Defaulting Participant”):

(i) the failure of any Participant to make any payment in full to NCPA when due;

(ii) the failure of a Participant to perform any covenant or obligation of this Agreement where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from NCPA demanding cure; provided, that this subsection shall not apply to any failure to make payments specified by subsection 7.2 (i));

(iii) if any representation or warranty of a Participant material to the services provided hereunder shall prove to have been incorrect in any material respect when made and the Participant does not cure the facts underlying such incorrect representation or warranty so that the representation or warranty becomes true and correct within thirty (30) Calendar Days after the date of receipt of notice from NCPA demanding cure; or

(iv) if a Participant is in default or in breach of any of its covenants or obligations under any other agreement with NCPA and such default or breach is not cured within the time periods specified in such agreement.

7.3 Uncontrollable Forces. A Party shall not be considered to be in default in respect of any obligation hereunder if prevented from fulfilling such obligation by reason of Uncontrollable Forces; provided, that in order to be relieved of an Event of Default due to Uncontrollable Forces, a Party affected by an Uncontrollable Force shall:

(i) first provide oral notice to the General Manager using telephone communication within two (2) Business Days after the onset of the Uncontrollable Force, and provide subsequent written notice to the General Manager and all other Parties within ten (10) Business Days after the onset of the Uncontrollable Force, describing its nature

and extent, the obligations which the Party is unable to fulfill, the anticipated duration of the Uncontrollable Force, and the actions which the Party will undertake so as to remove such disability and be able to fulfill its obligations hereunder; and

(ii) use due diligence to place itself in a position to fulfill its obligations hereunder and if unable to fulfill any obligation by reason of an Uncontrollable Force such Party shall exercise due diligence to remove such disability with reasonable dispatch; provided, that nothing in this subsection shall require a Party to settle or compromise a labor dispute.

7.4 Cure of an Event of Default. An Event of Default shall be deemed cured only if such default shall be remedied or cured within the time periods specified in Section 7.2 above, as may be applicable, provided, however, upon request of the Defaulting Participant the Commission may waive the default at its sole discretion, where such waiver shall not be unreasonably withheld.

7.5 Remedies in the Event of Uncured Default. Upon the occurrence of an Event of Default which is not cured within the time limits specified in Section 7.2, without limiting other rights or remedies available under this Agreement, at law or in equity, and without constituting or resulting in a waiver, release or estoppel of any right, action or cause of action NCPA may have against the Defaulting Participant, NCPA may take any or all of the following actions:

(i) suspend the provision of services under this Agreement to such Defaulting Participant; or

(ii) demand that the Defaulting Participant provide further assurances to guarantee the correction of the default, including the collection of a surcharge or increase in electric rates, or such other actions as may be necessary to produce necessary Revenues to correct the default.

7.6 Effect of Suspension.

7.6.1 Generally. The suspension of this Agreement will not terminate, waive, or otherwise discharge any ongoing or undischarged liabilities, credits or obligations arising from this Agreement until such liabilities, credits or obligations are satisfied in full.

7.6.2 Suspension. If performance of all or any portion of this Agreement is suspended by NCPA with respect to a Participant in accordance with subsection 7.5(i), then such Participant shall pay any and all costs incurred by NCPA as a result of such suspension including reasonable attorney's fees, the fees and expenses of other experts, including auditors and accountants, or other reasonable and necessary costs associated with such suspension and any portion of the Project Costs, scheduling and dispatch costs, and Administrative Services Costs that were not recovered from such Participant as a result of such suspension.

Section 8. Administration of Agreement

8.1 Commission. The Commission is responsible for the administration of this Agreement. Each Participant shall be represented by its Commissioner or their designated alternate Commissioner (“Alternate”) pursuant to the Joint Powers Agreement. Each Commissioner shall have authority to act for the Participant represented with respect to matters pertaining to this Agreement.

8.2 Forum. Whenever any action anticipated by this Agreement is required to be jointly taken by the Participants, such action shall be taken at regular or special meetings of the NCPA Commission.

8.3 Quorum. For purposes of acting upon matters that relate to administration of this Agreement, a quorum of the Participants shall consist of those Commissioners, or their designated Alternate, representing a numerical majority of the Participants.

8.4 Voting. Each Participant shall have the right to cast one vote with respect to matters pertaining to this Agreement. A unanimous vote of all Participants shall be required for action regarding all matters pertaining to this Agreement.

Section 9. Transfer of Rights by Participants

9.1 A Participant has the right to make transfers, sales, assignments and exchanges (collectively “transfers(s)”) of any portion of its Project Participation Percentage and rights thereto, subject to the approval provisions in Section 8.4 of this Agreement, provided that the transferee satisfies all applicable criterion in the Purchase Agreement. If

a Participant desires to transfer a portion or its entire share of the Project for a specific time interval, or permanently, then NCPA will, if requested by such Participant, use its best efforts to transfer that portion of the Participant's share of the Project.

9.2 Unless otherwise set forth in this Agreement, before a Participant may transfer an excess Project share pursuant to Section 9.1 to any person or entity other than a Participant, it shall give all other Participants the right to purchase the share on the same terms and conditions. Before a Participant may transfer an excess Project share pursuant to section 9.1 to any person or entity other than a Member, it shall give all Members the right to purchase the share on the same terms and conditions. Such right shall be exercised within thirty (30) days of receipt of notice of said right.

No transfer shall relieve a Participant of any of its obligations under this Agreement except to the extent that NCPA receives payment of these obligations from a transferee.

9.3 The provisions of this Section 9 do not apply to the Exhibit A, unless expressly set forth therein.

Section 10. Term and Termination. This Agreement shall become effective when it has been duly executed by all Participants, and delivered to and executed by NCPA (the "Effective Date"). NCPA shall notify all Participants in writing of the Effective Date. The Term of this Agreement shall be coterminous with the Purchase Agreement, and shall

commence on the Effective Date, and shall continue through the term of the Purchase Agreement.

Section 11. Withdrawal of Participants. No Participant may withdraw from this Agreement except as otherwise provided for herein.

Section 12. Settlement of Disputes and Arbitration. The Parties agree to make best efforts to settle all disputes among themselves connected with this Agreement as a matter of normal business under this Agreement. The procedures set forth in Section 10 of the Power Management and Administrative Services Agreement shall apply to all disputes that cannot be settled by the Participants themselves; provided, that the provisions of Section 4.5 shall first apply to all disputes involving invoices prepared by NCPA.

Section 13. Miscellaneous

13.1 **Confidentiality.** The Parties will keep confidential all confidential or trade secret information made available to them in connection with this Agreement, to the extent possible, consistent with applicable laws, including the California Public Records Act. Confidential or trade secret information shall be marked or expressly identified as such.

If a Party ("Receiving Party") receives a request from a Third Party for access to, or inspection, disclosure or copying of, any other Party's (the "Supplying Party") confidential data or information, which the Receiving Party has possession of ("Disclosure Request"), then the Receiving Party shall provide notice and a copy of the Disclosure Request to the Supplying Party within three (3) Business Days after receipt of the Disclosure Request.

Within three (3) Business Days after receipt of such notice, the Supplying Party shall provide notice to the Receiving Party either:

(i) that the Supplying Party believes there are reasonable legal grounds for denying or objecting to the Disclosure Request, and the Supplying Party requests the Receiving Party to deny or object to the Disclosure Request with respect to identified confidential information. In such case, the Receiving Party shall deny the Disclosure Request and the Supplying Party shall defend the denial of the Disclosure Request at its sole cost, and it shall indemnify the Receiving Party for all costs associated with denying or objecting to the Disclosure Request. Such indemnification by the Supplying Party of the Receiving Party shall include all of the Receiving Party's costs reasonably incurred with respect to denial of or objection to the Disclosure Request, including but not limited to costs, penalties, and the Receiving Party's attorney's fees; or

(ii) that the Receiving Party may grant the Disclosure Request without any liability by the Receiving Party to the Supplying Party.

13.2 Indemnification and Hold Harmless. Subject to the provisions of Section 13.4, each Participant agrees to indemnify, defend and hold harmless NCPA and its Members, including their respective governing boards, officials, officers, agents, and employees, from and against any and all claims, suits, losses, costs, damages, expenses and liability of any kind or nature, including reasonable attorneys' fees and the costs of litigation, including experts, to the extent caused by any acts, omissions, breach of

contract, negligence (active or passive), gross negligence, recklessness, or willful misconduct of that Participant, its governing officials, officers, employees, subcontractors or agents, to the maximum extent permitted by law.

13.3 Several Liabilities. No Participant shall, in the first instance, be liable under this Agreement for the obligations of any other Participant or for the obligations of NCPA incurred on behalf of other Participants. Each Participant shall be solely responsible and liable for performance of its obligations under this Agreement, except as otherwise provided for herein. The obligation of each Participant under this Agreement is, in the first instance, a several obligation and not a joint obligation with those of the other Participants.

Notwithstanding the foregoing, the Participants acknowledge that any debts or obligations incurred by NCPA under this Agreement on behalf of any of them shall be borne solely by such Participants in proportion to their respective Project Participation Percentages, and not by non-Participant Members of NCPA, pursuant to Article IV, Section 3(b) of the Joint Powers Agreement.

In the event that a Participant should fail to pay its share of the debts or obligations incurred by NCPA as required by this Agreement, the remaining Participants shall, in proportion to their Project Participation Percentages, pay such unpaid amounts and shall be reimbursed by the Participant failing to make such payments.

13.4 No Consequential Damages. FOR ANY BREACH OF ANY PROVISION OF THIS AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED. IF NO REMEDY OR MEASURE OF DAMAGE IS EXPRESSLY PROVIDED, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED TO ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES AND REMEDIES ARE HEREBY WAIVED. IN NO EVENT SHALL NCPA OR ANY PARTICIPANT OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, REPRESENTATIVES, DIRECTORS, OFFICERS, AGENTS, OR EMPLOYEES BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, SPECIAL, EXEMPLARY, INDIRECT, PUNITIVE, OR INCIDENTAL LOSSES OR DAMAGES, INCLUDING LOSS OF USE, LOSS OF GOODWILL, LOST REVENUES, LOSS OF PROFIT OR LOSS OF CONTRACTS EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NCPA AND EACH PARTICIPANT EACH HEREBY WAIVES SUCH CLAIMS AND RELEASES EACH OTHER AND EACH OF SUCH PERSONS FROM ANY SUCH LIABILITY.

The Parties acknowledge that California Civil Code section 1542 provides that: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must

have materially affected his or her settlement with the debtor.” The Parties waive the provisions of section 1542, or other similar provisions of law, and intend that the waiver and release provided by this Section of this Agreement shall be fully enforceable despite its reference to future or unknown claims.

13.5 Waiver. No waiver of the performance by a Party of any obligation under this Agreement with respect to any default or any other matter arising in connection with this Agreement shall be effective unless given by the Commission or the governing body of a Participant, as applicable. Any such waiver by the Commission in any particular instance shall not be deemed a waiver with respect to any subsequent performance, default or matter.

13.6 Amendments. Except where this Agreement specifically provides otherwise, this Agreement may be amended only by written instrument executed by the Parties with the same formality as this Agreement.

13.7 Assignment of Agreement.

13.7.1 Binding Upon Successors. This Agreement shall inure to the benefit of and shall be binding upon the respective successors and assignees of the Parties to this Agreement.

13.7.2 No Assignment. Neither this Agreement, nor any interest herein, shall be transferred or assigned by a Party hereto except with the consent in writing of the other Parties hereto, which consent shall not be unreasonably withheld.

13.8 Severability. In the event that any of the terms, covenants or conditions of this Agreement or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless the court holds that such provisions are not severable from all other provisions of this Agreement.

13.9 Governing Law. This Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

13.10 Headings. All indices, titles, subject headings, section titles and similar items are provided for the purpose of convenience and are not intended to be inclusive, definitive, or affect the meaning of the contents of this Agreement or the scope thereof.

13.11 Notices. Any notice, demand or request required or authorized by this Agreement to be given to any Party shall be in writing, and shall either be personally delivered to a Participant's Commissioner or Alternate, and to the General Manager, or shall be transmitted to the Participant and the General Manager at the addresses shown on the signature pages hereof. The designation of such addresses may be changed at any time by written notice given to the General Manager who shall thereupon give written notice of such change to each Participant. All such notices shall be deemed delivered when personally delivered, two (2) Business Days after deposit in the United States mail

first class postage prepaid, or on the first Business Day following delivery through electronic communication.

13.12 Warranty of Authority. Each Party represents and warrants that it has been duly authorized by all requisite approval and action to execute and deliver this Agreement and that this Agreement is a binding, legal, and valid agreement enforceable in accordance with its terms. Upon execution of this Agreement, each Participant shall deliver to NCPA a resolution of the governing body of such Participant evidencing approval of and authority to enter into this Agreement.

13.13 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all the signatories to all of the counterparts had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

13.14 Venue. In the event that a Party brings any action under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

13.15 Attorneys' Fees. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, then each Party shall bear its own fees and costs, including attorneys' fees, associated with the action.

13.16 Counsel Representation. Pursuant to the provisions of California Civil Code Section 1717 (a), each of the Parties were represented by counsel in the negotiation and execution of this Agreement and no one Party is the author of this Agreement or any of its subparts. Those terms of this Agreement which dictate the responsibility for bearing any attorney's fees incurred in arbitration, litigation or settlement in a manner inconsistent with the provisions of Section 13.2 were intentionally so drafted by the Parties, and any ambiguities in this Agreement shall not be interpreted for or against a Party by reason of that Party being the author of the provision.

13.17 No Third Party Beneficiaries. Nothing contained in this Agreement is intended by the Parties, nor shall any provision of this Agreement be deemed or construed by the Parties, by any third person or any Third Parties, to be for the benefit of any Third Party, nor shall any Third Party have any right to enforce any provision of this Agreement or be entitled to damages for any breach by the Parties of any of the provisions of this Agreement.

IN WITNESS WHEREOF, NCPA and each Participant have, by the signature of its duly authorized representative shown below, executed and delivered a counterpart of this Agreement.

NORTHERN CALIFORNIA
POWER AGENCY
651 Commerce Drive
Roseville, CA 95678

By: Randy S. Howard
Title: General Manager
Date: _____

Approved as to form:

By: Jane E. Luckhardt
Its: General Counsel
Date: _____

Attestation (if applicable):

By: _____
Its: _____
Date: _____

CITY OF BIGGS
465 C Street
Biggs, CA 95917

CITY OF GRIDLEY
685 Kentucky Street
Gridley, CA 95948

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Approved as to form:

Approved as to form:

By: _____
Its: City Attorney
Date: _____

By: _____
Its: City Attorney
Date: _____

Attestation (if applicable)

Attestation (if applicable)

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

EXHIBIT A
PROJECT PARTICIPATION PERCENTAGES

The following is a list of the Participants who are signatory to this Agreement, and their respective Project Participation Percentage share of the Project.

Participants

City of Biggs; 0.33 MW or 33.00%

City of Gridley; 0.67 MW or 67.00%

EXHIBIT B

Purchase Agreement

Western Systems Power Pool Agreement Confirmation between City of Santa Clara,
a chartered California municipal corporation, dba Silicon Valley Power and Northern
California Power Agency, to purchase renewable energy attached to this Exhibit B.