



111 E. COMMERCIAL STREET
WILLITS, CALIFORNIA 95490
(707) 459-4601 TEL
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**WILLITS CITY COUNCIL
AGENDA
JANUARY 13, 2016 ♦ 6:30 P.M. ♦ COUNCIL CHAMBERS**

1. **OPENING MATTERS** – a) Call to Order; b) Pledge to Flag; c) Roll Call
2. **PUBLIC COMMUNICATIONS**
Council welcomes participation in its meetings. Comments shall be limited to three (3) minutes per person so that everyone may be given an opportunity to be heard. To expedite matters and avoid repetition, whenever any group of persons wishes to address the Council on the same subject matter, the Mayor may request that a spokesperson be chosen by the group. This item is limited to matters under the jurisdiction of the City Council which are not on the posted agenda. Public criticism of the City Council, Commission, Boards and Agencies will not be prohibited. No action shall be taken.
3. **PUBLIC MATTERS**
 - a. Discussion and Possible Action to Approve: (1) Dismissal of the City's Claims in the Remco Insurance Coverage Action as Part of a Proposed Settlement Between Pepsi and the Remaining Insurers, and (2) the Financial Assurance Mechanism Established and Funded By the Proposed Settlement to Complete Remediation at the Former Remco Facility
4. **CONSENT CALENDAR**
Matters listed under the Consent Calendar are considered to be routine by the City Council and will be enacted by a single motion and roll call vote by the City Council. Items may be removed from the Consent Calendar upon request of a Councilmember and acted upon separately by the City Council.
The following items are recommended for approval, as follows:
 - a. City Council Minutes:
 - October 14, 2015
 - October 28, 2015
 - November 10, 2015 – Special Meeting
 - November 30, 2015 – Special Meeting
 - December 9, 2015
 - b. Letter Supporting Assembly Bill 21 (Bonta, Cooley, Jones-Sawyer, Lackey, and Wood), Which Seeks to Maintain Local Control in the Medical Marijuana Regulation and Safety Act
5. **INFORMATIONAL REPORTS**
Matters that do not require action by the City Council but are of public interest.
 - a. Disbursements Journal(s):
 - Warrant Nos. 27648-27654, Totaling \$22,996.09
 - Warrant Nos. 27655-27755, Totaling \$275,606.44
 - Warrant Nos. 27756-27763, Totaling \$25,724.94
 - Warrant Nos. 27764-27828, Totaling \$234,174.27
 - b. Building Inspection Activity Report(s) – December 2015
 - c. Business License Activity Report(s) – December 2015
 - d. Water Consumption/Revenue Chart – November 2015, December 2015
 - e. Written Update from Caltrans Regarding the Willits Bypass Project
6. **RIGHT TO APPEAL**
Persons who are dissatisfied with the decisions of the City Council may have the right to a review of that decision by a court. The City has adopted Section 1094.6 of the Code of Civil Procedure, which generally limits to 90 days the time within which the decisions of the City boards and agencies may be judicially challenged.

7. COMMISSIONS, AGENCIES AND AUTHORITIES

The Willits City Council meets concurrently as the City of Willits Planning Commission and City of Willits Successor Agency.

- a. **SITTING AS THE SUCCESSOR AGENCY** – Discussion and Possible Adoption of Resolution to Approve the Recognized Obligation Payment Schedule 2016-17 and Administrative Budget for the Period of July 2016 through June 2017

8. CITY MANAGER REPORTS AND RECOMMENDATIONS

- a. Update on the Main Street Corridor Enhancement Plan, Including Announcement of Consultant Selection
- b. Verbal Reports – No Action

9. DEPARTMENT RECOMMENDATIONS

- a. Administration (*City Clerk, Finance, Human Resources, Legal*)
- b. Public Safety
- c. Community Development (*Planning, Building, and Code Enforcement*)
- d. Public Works & Engineering (*Engineering, Water and Wastewater Systems*)

10. CITY COUNCIL AND COMMITTEE REPORTS

- a. Mendocino Council of Governments (MCOG)
- b. Local Agency Formation Commission (LAFCO)
- c. Mendocino Transit Authority (MTA)
- d. Mendocino Solid Waste Management Authority-Joint Powers Authority (MSWMA-JPA)
- e. League of California Cities
- f. Water & Wastewater Systems Committee
- g. Revit-ED Committee
- h. Finance Committee
- i. Ad Hoc Committees
- j. Other Committee Reports

11. COUNCIL MEMBER REPORTS AND RECOMMENDATIONS

- a. Mayors Appointments

12. ENACTMENT OF ORDINANCES

13. GOOD & WELFARE

14. CLOSED SESSION NOTICE

15. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Willits City Hall, located at 111 East Commercial Street, Willits, California, not less than 72 hours prior to the meeting set forth on this agenda.

*Dated this 8th day of January, 2016.
Cathy Moorhead, City Clerk*



Item No. **3a**

Meeting Date: **January 13, 2016**

AGENDA SUMMARY REPORT

To: Honorable Mayor and Council Members

From: Stuart I. Block, Esq., Stice & Block, LLP (Outside Environmental Counsel)

Agenda Title: DISCUSSION AND POSSIBLE ACTION TO APPROVE: (1) DISMISSAL OF THE CITY'S CLAIMS IN THE REMCO INSURANCE COVERAGE ACTION AS PART OF A PROPOSED SETTLEMENT BETWEEN PEPSI AND THE REMAINING INSURERS, AND (2) THE FINANCIAL ASSURANCE MECHANISM ESTABLISHED AND FUNDED BY THE PROPOSED SETTLEMENT TO COMPLETE REMEDIATION AT THE FORMER REMCO FACILITY

Type: Presentation Consent Regular Agenda Public Hearing Urgent Time: 30 min.

Summary of Request: This item presents two related issues relating to the former Remco Hydraulics manufacturing facility.

1. Dismissal of the City's Claims in the Coverage Action. The Pepsi-Cola Metropolitan Bottling Company, Inc. (Pepsi), through the Willits Environmental Remediation Trust (Trust) has advised the City that it has reached a settlement with all remaining insurers in the insurance coverage action (Coverage Action) arising out of the environmental contamination at the former Remco Hydraulics facility (Remco Facility). The settlement would, among other things, require the Trust to perform all activities necessary to complete the final, approved Remedial Action Plans for the cleanup of the Remco Facility and Page Property and establish a secured source of funds for the required remediation work. The City is not a party to the proposed settlement; however, a condition of the settlement is that the City dismiss with prejudice its claims against the remaining insurers. The City's outside insurance counsel recommends that the City authorize the dismissal, as set forth in the attached letter to H. James Lance dated January 7, 2016 and attached as Exhibit A.

2. Approval of Funding and Financial Assurance Mechanism. At the City Council meeting on July 10, 2015, which proceedings continued to July 22, 2015, the Trust requested a finding by the City that the redevelopment plans for the Remco Facility proposed by each of two potential purchasers of that property, the Skunk Train and Mr. Ed Mitchell, were "approved" uses for the property that would relieve the Trust of certain obligations regarding the removal of existing structures and building foundations at the property. At that meeting, the Council imposed certain conditions on the Trust and Pepsi as prerequisites for such a finding.

From the Trust, the Council required: written confirmation that, subject to adequate funding from Pepsi, (a) the Consent Decree requires the Trust to complete all remediation work at the Property through and including a written "No Further Action" determination (or its equivalent) from the Court and the Regional Water Quality Control Board; and (b) the Trust will perform such remediation work.

From Pepsi, the Council required: (a) a written commitment to fund all Trust activities required to complete the remediation at the Remco Facility and (b) "a financial assurance mechanism, such as those required by U.S. EPA for closure of a facility (i.e. a letter of credit, bond, corporate guarantee, or other acceptable form of security) reasonably acceptable to the City to assure the completion of such remediation. See 40 CFR 264.143."

The Trust has presented the City with: (1) a letter to Ms. Adrienne Moore dated August 25, 2015 and attached as Exhibit B, that it offers in satisfaction of the conditions imposed by the Council on the Trust and (2) a letter from counsel for the Trust dated January 7, 2016 proposing a financial assurance mechanism to fund the required remediation, including establishment of a Qualified Settlement Fund (the Stanray QSF)

and a related Order proposing modifications to the existing Consent Decree in the underlying Remco action. The Stanray QSF would be created and funded as part of the settlement in the Coverage Action. The Stanray QSF would make available to the Trust payments totaling \$4,325,000 that it would receive from a financial instrument issued by National Indemnity Company, which is owned by Berkshire Hathaway. The letter from the Trust's counsel and the related supporting documents, including the Stanray QSF, the proposed Order Modifying the Amended Consent Decree and the National Indemnity Company instrument, are attached as Exhibit C.

Discussion: The attached letters from the City's insurance counsel (Exhibit A) and the Trust (Exhibit C) do a thorough job of summarizing the long and complex history underlying the above-requested action items as well as the relevant considerations for the Council. Rather than compromising the issues by attempting to further summarize these pertinent facts, we refer you to those letters as the background and basis for the proposed recommendation on each action, as set forth below.

Recommended Action:

1. With respect to settlement of the Coverage Action: authorize the dismissal of the City's claims against the remaining insurers in the Coverage Action with prejudice consistent with the insurance settlement agreement, conditioned upon the Court in the Remco action entering the Order Modifying the Consent Decree in substantially the same form as reflected in the draft Order Modifying the Amended Consent Decree referenced below and included in Exhibit C.
2. With respect to Funding and Financial Assurance Mechanism:
 - a. Approve the proposed Order Modifying the Amended Consent Decree and the Stanray Qualified Settlement Fund contract, each in substantially the form provided in the Exhibit C, to secure the funding required to complete the Remco remediation work;
 - b. Determine that the Trust's letter dated August 25, 2015 and the documents attached in Exhibit C, if approved by the Court in substantially the form provided in Exhibit C, satisfy the condition imposed on the Trust on July 22, 2015 that the Trust provide written confirmation, subject to adequate funding from Pepsi: (i) the Consent Decree requires the Trust to complete all remediation work at the Remco Facility through and including a written "No Further Action" determination (or its equivalent) from the Court and the Regional Water Quality Control Board; and (ii) the Trust will perform such remediation work;
 - c. Determine that, if approved by the Court in substantially the form provided in Exhibit C, the combined Order Modifying the Amended Consent Decree, Stanray Qualified Settlement Fund and National Indemnity Company Multi-Party Reinsurance Agreement meet the funding and financial assurance condition imposed by the Council on July 22, 2015 that Pepsi provide an enforceable, written commitment to fund all Trust activities required to complete the remediation as necessary for an approved redevelopment of the Remco Facility as set forth in Section 5.4.2 of the 2011 Final Feasibility Study.

Alternative(s): None recommended.

Fiscal Impact: N/A

Personnel Impact: N/A

Reviewed by: City Manager City Attorney Finance Director Human Resources Risk

Council Action: Approved Denied Other: _____

Records: Agreement Resolution # _____ Ordinance # _____ Other _____

EXHIBIT A

**SENAK KEEGAN GLEASON
SMITH & MICHAUD, LTD.**

January 7, 2016

621 SOUTH PLYMOUTH COURT
SUITE 100
CHICAGO, ILLINOIS 60605
312-214-1400 telephone
312-214-1401 facsimile
www.skgsmlaw.com

Via U.S. Mail and Email

H. James Lance
Attorney at Law
3000 Robinson Creek Road
Ukiah, California 95482
lancelaw@pacific.net

Re: *The People of the State of California and the City of Willits, California v. Certain Underwriters at Lloyd's, London, et al., Case No. 217769 (Cal. Super. Ct., Sonoma Cty.)*

Dear Jim:

As you know, our law firm represents the City of Willits, California (the "City") in the above insurance coverage action (the "Coverage Action"). You will recall that in July 2013, Pepsi-Cola Metropolitan Bottling Company, Inc. ("Metro") settled with some, but not all, of the defendant London Market Insurance Companies in the Coverage Action. This letter is regarding the recent settlement between Metro and the remaining London Market Insurance Companies in the case ("Remaining Insurers"). Importantly, this settlement would resolve the Coverage Action in its entirety. Metro has requested that the City dismiss its claims against the Remaining Insurers in the Coverage Action with prejudice as contemplated by the confidential insurance settlement agreement between Metro and the Remaining Insurers. We understand that the City Council will consider Metro's request during its next session on January 13, 2016. For the reasons summarized below, we recommend that the City authorize the dismissal of its claims against the Remaining Insurers in the Coverage Action as contemplated by the settlement, provided that certain conditions described below are met.

Background

In January 1996, the City sued the successors to Remco Hydraulics, Inc. ("Remco") to compel them to clean up the environmental contamination at the former Remco manufacturing facility located in Willits (the "Remco Site") in the lawsuit entitled *The People of the State of California and the City of Willits, California v. Remco Hydraulics, Inc., et al.*, Case No. C96-0283 (N.D. Cal.) (the "Liability Action"). In August 1997, the parties entered into a Consent Decree to settle the Liability Action. They established the Willits Environmental Remediation Trust ("WERT") to perform the cleanup work at the Remco Site. Metro's predecessor, which was one of the defendants in the Liability Action, pledged certain insurance policies to fund WERT's cleanup work and assigned to the Willits Trust its claims for insurance coverage under those policies. The City agreed to pursue recoveries against the policies in the Coverage Action at

WERT's expense. The parties agreed that if such recoveries exceeded the cost of cleanup, they would establish reserve funds for medical monitoring, natural resource damages, and post-closure costs of the Remco Site and they would make certain residual payments to the City.

In November 1997, the City initiated the Coverage Action by asserting judgment creditor claims against the insurers that subscribed to Metro's predecessor's pledged insurance policies ("Insurers"). In July 1998, the Insurers asserted counterclaims against Metro's predecessor arguing that the Insurers did not have any coverage obligations under the pledged policies. In January 2001, Metro's predecessor filed policy-holder coverage counterclaims against the Insurers. All of this means that Metro, as the successor to its predecessor, has been pursuing its own coverage claims against the Insurers in the Coverage Action since 2001 and the City's judgment creditor claims have become less central to the Coverage Action. As a result, Metro has assumed the lead role in pursuing recoveries against the Insurers, including in settlement negotiations. The City has assumed a monitoring role and its minimal costs in that role have been paid by WERT.

In December 2000, because the Coverage Action did not progress as quickly as anticipated, the Consent Decree was amended to require Metro's predecessor to provide interim funding loans for WERT's cleanup work with repayment from recoveries in the Coverage Action. Under the Consent Decree, this so-called "Interim Funding Period" will last until either (1) the Coverage Action is completely resolved or (2) the Court in the Liability Action approves the selection of the final Remedial Action Plan for the Remco Site, whichever occurs first. To date, neither event has occurred and Metro has provided all interim funding loans necessary for WERT to diligently pursue the cleanup work at the Remco Site and at several related sites in and around Willits (including the Page Properties, East San Francisco Avenue, Shell Lane, and the acquisition of several properties adjacent to the Remco Site). Metro claims that it has spent over \$65 million to satisfy its obligations under the Consent Decree, with a substantial percentage devoted to WERT's cleanup work at the Remco Site. Amendments to the Consent Decree in December 2006, among other things, removed Metro's obligation to create certain reserve funds in the event that recovery from the Coverage Action exceeded the cost of cleanup.

As indicated above, in July 2013, Metro entered into a partial settlement with certain, but not all, of the Insurers in the Coverage Action. Recently, the parties have been negotiating additional amendments to the Consent Decree that, among other things, would require Metro to fund the cleanup of the Remco Site through the completion of the RAP and the issuance of a no further remediation letter ("NFR Letter") by the North Coast Regional Water Quality Control Board ("RWQCB"). In addition to the amendments to the Consent Decree, the parties have been negotiating an agreement ("Agreement") with the Stanray Qualified Settlement Fund ("Stanray QSF"). The Stanray QSF received the proceeds of the July 2013 partial insurance settlement and will receive the proceeds of the current settlement. The Agreement with the Stanray QSF would require the Stanray QSF to provide WERT with the funds necessary to complete the cleanup work.

If the Stanray QSF fails to make the required payments, the amendments to the Consent Decree would allow WERT to compel Metro to provide the necessary funding.¹

The Proposed Settlement

We have reviewed the terms of the current confidential insurance settlement between Metro and the Remaining Insurers and based upon our experience with matters of this kind we believe the payment and release terms are reasonable and appropriate under the circumstances. The Remaining Insurers will make payments to the Stanray QSF and Metro will release its coverage claims against the Remaining Insurers. Metro will also indemnify the Remaining Insurers with respect to any claims that might be brought against the Remaining Insurers. The Remaining Insurers will release any claims they may have against Metro and the City. The City is not a party to the settlement so it will not release any claims or provide any indemnification in the insurance settlement agreement. But the confidential insurance settlement agreement is contingent upon the City's dismissal with prejudice of its judgment creditor claims against the Remaining Insurers in the Coverage Action. To be clear, the Remaining Insurers' release in the confidential insurance settlement agreement, which includes any claims the Remaining Insurers may have against the City, is only effective if the City dismisses its claims against the Remaining Insurers in the Coverage Action.

Certain other aspects of the confidential insurance settlement agreement may be inconsistent with certain provisions of the Consent Decree. The Consent Decree requires Metro to obtain the City's prior written approval of any insurance settlements in the Coverage Action. Yet Metro finalized the recent confidential insurance settlement agreement with the Remaining Insurers without obtaining the City's prior approval. The Consent Decree also requires Metro to deposit the proceeds of any insurance settlements in the Coverage Action into the WERT. Yet the confidential insurance settlement agreement reflects that the Remaining Insurers will pay the settlement funds into the Stanray QSF, not the WERT. The proposed operating agreement for the Stanray QSF that we previously reviewed provided that the funds in the Stanray QSF may be used to pay any bodily injury and/or property damage claims against Metro, which means that the funds may or may not be used for the cleanup of the Remco Site. However, it would not be unreasonable for the City to decline to enforce the foregoing inconsistencies with the Consent Decree in light of the proposed amendments of the Consent Decree and the proposed Agreement with the Stanray QSF that would require Metro to "guarantee" the Stanray QSF's payment of the funds to WERT that are necessary to complete the cleanup.

¹ Our law firm has not been asked to review the proposed amendments of the Consent Decree or the proposed Agreement with the Stanray QSF. The summary information regarding those documents that is set forth in this letter was provided by the attorneys who have reviewed those documents and who will present those documents to the City Council. That summary information is included in this letter to assist the City in its review of the current insurance settlement.

Future Funding for the Cleanup

Although the cleanup of the Remco Site has progressed significantly, it is not yet complete. WERT has performed interim remedial actions that have removed substantial amounts of hazardous substances from the Remco Site. The RWQCB has approved the final RAP for the Remco Site and the Page Properties, but the Court in the Liability Action has not yet given its approval. WERT estimates that the cleanup work will continue for at least the next 3-5 years. As indicated above, the Consent Decree requires Metro to provide interim funding loans for the cleanup during the Interim Funding Period, which expires no later than when the Coverage Action is fully resolved. The City must therefore carefully consider its dismissal of its remaining claims in the Coverage Action. Upon dismissal, the Coverage Action would be fully resolved, the Interim Funding Period would expire, and thus Metro's obligation to provide interim funding for the cleanup under the Consent Decree would end. As indicated above, however, the proposed amendments of the Consent Decree and the proposed Agreement with the Stanray QSF would require Metro/Stanray QSF to fund the cleanup of the Remco Site through the completion of the RAP and the issuance of an NFR Letter, regardless of the expiration of the Interim Funding Period.

Recommendation

Based upon the foregoing, we recommend that the City authorize the dismissal of its judgment creditor claims against the Remaining Insurers in the Coverage Action with prejudice as contemplated by the confidential insurance settlement agreement, conditioned upon the Court in the Liability Action entering an Order modifying the Consent Decree in substantially the same manner as reflected in the proposed amendments of the Consent Decree that will be presented to the City Council concurrently with this letter. This recommendation is based upon, among other things, the following:

1. The City's authorization to dismiss its claims against the Remaining Insurers in the Coverage Action would be conditioned upon the Court in the Liability Action entering an Order modifying the Consent Decree to require Metro to "guarantee" the Stanray QSF's payment of funds to the WERT that are necessary to complete the cleanup work.
2. There is no reasonable chance that the insurance recoveries in the Coverage Action will be sufficient to reimburse Metro for the interim funding loans AND make the residual payments to the City that were contemplated by the Consent Decree.
3. The recent confidential insurance settlement agreement is contingent on the City's dismissal of its claims against the Insurers in the Coverage Action and the City agreed in the Consent Decree to cooperate with Metro's predecessor in the Coverage Action.
4. The Remaining Insurers' release of claims in the confidential insurance settlement agreement includes any claims they may have against the City, but the release is only effective if the City dismisses its claims against the Remaining Insurers in the Coverage Action.

5. Rather than wait for insurance recoveries in the Coverage Action, Metro has provided substantial interim funding loans so that the cleanup can progress while the Coverage Action is pending, which loans are supposed to be repaid from such insurance recoveries.

6. Metro has taken the lead role in pursuing the insurance recoveries and the City's minimal oversight costs have been paid by WERT. Thus, the City is not out of pocket any costs associated with the Coverage Action or the pending settlement.

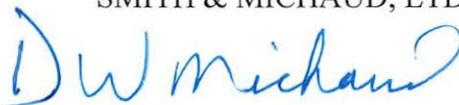
7. Prior agreements between Metro and the City eliminated Metro's obligation to create certain reserve funds relating to the former contamination, which funds likely never would have been funded from insurance recoveries in the Coverage Action.

8. If Metro had not become involved in the Coverage Action, the City would be a party to the recent settlement. Thus, the City would have had to provide a broad release and indemnification to the Remaining Insurers in the insurance settlement agreement in exchange for the settlement (two typical requirements for insurers to pay settlements in cases like this one).

Please call me if you have any questions.

Very truly yours,

SENAK KEEGAN GLEASON
SMITH & MICHAUD, LTD.



Douglas W. Michaud

EXHIBIT B

WILLITS ENVIRONMENTAL REMEDIATION TRUST

An Instrumentality of the United States District Court for the Northern District of California
Created by Order of U. S. District Court Dated August 22, 1997 as Amended

VIA EMAIL AND REGULAR MAIL

August 25, 2015

Ms. Adrienne Moore
City Manager
City of Willits, California
111 E Commercial Street
Willits, CA 95490

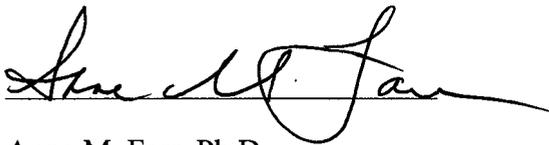
Ms. Moore:

The purpose of this letter is to comply with the condition imposed on the Willits Environmental Remediation Trust ("the Trust") by the July 22, 2015 vote of the City Council for the City of Willits (as reflected in the Staff Report Item 3b) for an approved redevelopment the Remco Facility located at 934 Main Street, Willits, California. Specifically, the Trust agrees that subject to adequate funding from Pepsi: (a) the Consent Decree requires the Trust to complete all remediation work at the Property through and including a written "No Further Action" determination (or its equivalent) from the Court and the Regional Water Quality Control Board; and (b) the Trust will perform such remediation work. The Trust understands that other conditions imposed on Pepsi and any developer must also be satisfied.

Please let us know immediately that this letter does not satisfy the condition imposed on the Trust.

Sincerely,

Willits Environmental Remediation Trust



Anne M. Farr, Ph.D.

AMF Remediation Corporation, Trustee

c: James Lance, City Attorney
Stuart Block
Philip C. Hunsucker

EXHIBIT C

January 7, 2016

VIA EMAIL

H. James Lance, Esq.
City Attorney
3000 Robinson Creek Rd.
Ukiah, CA 95482
Email: lancelaw@pacific.net

Re: Remco Hydraulics – Funding of the Final Remedial Action Plans and City Approval of an Order Modifying the Consent Decree

Dear Mr. Lance:

This letter provides a summary of the documents negotiated by and between the City of Willits (“City”), the Willits Environmental Remediation Trust (“Trust”) and Pepsi-Cola Metropolitan Bottling Company, Inc. (“Pepsi¹”) for funding and financial assurance of the Trust activities required for the work necessary to complete the final, approved Remedial Action Plans for the cleanup of the former Remco Hydraulics facility located on Main Street in Willits, California (“Remco Facility”) and the surrounding properties (together “Trust-Owned Property”) owned by the Trust and the Page Property (“Approved Remedial Action Plans”).

If approved by the City and the United States District Court for the Northern District of California (“Court”), the funding and financial assurance mechanism also will meet the condition imposed by the Willits City Council on July 22, 2015 that Pepsi provide an enforceable, written commitment to fund all Trust activities required to complete the remediation as necessary for an approved redevelopment of the Remco Facility as set forth in Section 5.4.2 of the 2011 Final Feasibility Study.

The Trust respectfully requests that the City approve the attached order modifying the consent decree (“Order”) and the attached Stanray Qualified Settlement Fund (“Stanray QSF”) contract in order to assure funding for the completion of the cleanup.

¹ Pepsi merged with PepsiAmericas, Inc., the legal successor to Remedial Defendant Whitman Corporation, since it previously merged with Whitman Corporation.

BACKGROUND

The Consent Decree

The City filed a lawsuit in the Court seeking to require the former owners and operators of the Remco Facility to clean up contamination at and emanating from the facility that resulted in a 1997 consent decree that has been amended by the Court ("Consent Decree"). The City's Public Works Department is the lead public agency under the Consent Decree. The Trust has been remediating the Remco Facility and surrounding area pursuant to the Consent Decree and a Cleanup and Abatement Order issued by the State of California Regional Water Quality Control Board, North Coast Region ("Regional Board").

The Consent Decree requires that the Trust conduct the remediation pursuant to the National Contingency Plan ("NCP"). The NCP is a stepwise process that requires written milestone reports that are approved by the lead public agency. For the work the Trust has been doing, the milestone reports all have been reviewed and approved by the City (and its counsel) and the Regional Board. The City has its own environmental consultant and environmental counsel to oversee the work of the Trust. The milestone reports required by the Consent Decree all can be obtained from the Trust's website: <http://willitstrust.org/>.

Approved Remedial Action Plans for the Cleanup of the Site

The Trust has removed significant contamination from the Site. The Approved Remedial Action Plans are protective of human health and the environment and have been approved by the City and the Regional Board. Under the Consent Decree, Pepsi has paid for nearly all of the cleanup costs so far. Since 2002, the funding for the Trust's work cleaning up the Site has been through an interim funding mechanism in the Consent Decree. Additional work is necessary to complete the work required by the Approved Remedial Action Plans.

Resolution of the Lloyds Action

Under the Consent Decree, the City obtained a judgment that it could collect against the insurers of the operators of the Remco Facility. The City and Pepsi have been pursuing insurance companies in a lawsuit filed in Sonoma County Superior Court, *People of the State of California and the City of Willits v. Lloyd's of London and Certain London Market Insurers*, Case No. SCV 217769 (Cal. Superior Court - Sonoma County) ("Lloyds Action").

NECESSITY OF FUNDING FOR THE REMAINING CLEANUP WORK

The City and Pepsi's efforts in the Lloyds Action recently resulted in a settlement that the Trust believes is sufficient to provide the funding and financial assurance for all

the work necessary to complete the Approved Remedial Action Plans. The interim funding period is due to end because of the settlement of the Lloyds Action and the approval of the Approved Remedial Action Plans. Accordingly, a consent decree modification is required to assure the continued funding of the work necessary to complete the Approved Remedial Action Plans.

SUMMARY OF THE ORDER MODIFYING THE CONSENT DECREE

Summarized below are the parts of the Order that the Willits Trust believes are the essential provisions.

Funding and Financial Assurance for the Work Necessary to Complete the Cleanup

Pepsi agrees to put all of the settlement funds from the Lloyds Action into a designated fund that is supervised by the United States District Court for the Central District of California called the Stanray QSF. The Stanray QSF will make available to the Trust payments totaling \$4,325,000 that the Stanray QSF will receive from a financial instrument issued by National Indemnity Company. National Indemnity Company is owned by Berkshire Hathaway, which is run by Warren Buffett.

Based on the assumptions in the Trust's current estimate of the amount necessary to assure the funding for all Trust activities required for the Work necessary to complete the final RAP, the payments contemplated from the financial instrument would be sufficient. If the financial instrument issued by National Indemnity Company does not adequately provide for the amount estimated annually by the Trust necessary to fund all Trust activities required for the work necessary to complete the final RAP, the Stanray QSF will set aside an amount that equals the estimated shortfall, plus \$200,000. The Order requires that the Stanray QSF enter into a contract with the Trust and PMBC in substantially the same form as the attached contract for the continuing funding for all Trust activities required for the work necessary to complete the Approved Remedial Action Plans.

Pepsi and the Stanray QSF represent that the Stanray QSF has or will have significantly greater funds than the Trust estimates will be necessary to complete the cleanup.

There is an annual budgeting process in the Order similar to the current process in the Consent Decree for interim funding where the Trust submits a Notice of Additional Qualified Payment to the Stanray QSF and Pepsi. If, after any dispute resolution process, the Stanray QSF fails to pay the amount of the Notice of Additional Qualified Payment due, within five days, the Trust will be entitled to, and the Court shall issue, a lump-sum judgment against the Stanray QSF and the Remedial Defendants, jointly and severally, in the sum certain of the Notice of Additional Qualified Payment. If the lump-

sum judgment is not satisfied by the Stanray QSF or the Remedial Defendants within ten days thereafter, the Trust may apply to the Clerk for issuance of, and the Clerk shall issue, writ(s) of execution, including garnishment or attachment thereon, in accordance with, and subject to, the covenant not to execute contained in the Consent Decree.

Formal Approval of the Approved Remedial Action Plans

The Order formally approves the Approved Remedial Action Plans.

As funded, the Trust Must Complete the Work in the Approved Remedial Action Plans and in Obtaining a No Further Action Determination from the Court and the Regional Board

As funded pursuant to the terms of this Consent Decree, as modified by the Order, consistent with the NCP, and in compliance with any applicable state and local requirements which do not conflict with the requirements of federal law or the Consent Decree, the Trust must cost-effectively perform all the work required for completion of the Approved Remedial Action Plans, including a written "No Further Action" determination (or its equivalent) from the Court and the Regional Board.

Assignment to the Stanray QSF of All Rights to Recovery

The Consent Decree assigned certain rights to the Trust and required all settlement payments be made to the Trust. All of the rights of the City, the Remedial Defendants and the Trust are assigned to the Stanray QSF. This means that neither the City nor the Trust will have any further obligation to pursue insurance coverage for the cleanup of the Site.

The City Must Cooperate with Pepsi and the Stanray QSF in Any Recovery Efforts

The City must cooperate with the Stanray QSF and Pepsi in the prosecution of all claims arising from or related to this Consent Decree or the environmental conditions at the Site. This includes production of all documents and records, and the provision of testimony as may be reasonably requested or required.

Release of City's Claims and Dismissal with Prejudice for the Lloyds Action

The City must release its claims against the insurers in the Lloyds Action and dismiss the insurers in the Lloyds Action with prejudice in a form requested by Pepsi necessary to obtain a recovery sufficient for the Stanray QSF to perform its agreement to provide funding for all Trust activities required for the Work necessary to complete the Approved Remedial Action Plans.

SPECIFIC REQUESTED ACTION FROM THE CITY COUNCIL

The Trust respectfully requests that the City Council:

- Approve the Order and the attached Stanray Qualified Settlement Fund contract in order to assure funding for the completion of the cleanup;
- Determine that, if approved by the Court, the funding and financial assurance mechanism in the attached documents meets the condition imposed by the Willits City Council on July 22, 2015 that Pepsi provide an enforceable, written commitment to fund all Trust activities required to complete the remediation as necessary for an approved redevelopment of the Remco Facility as set forth in Section 5.4.2 of the 2011 Final Feasibility Study; and,
- Determine that the Trust's letter dated August 25, 2015 and the attached documents satisfy the condition imposed on the Trust on July 22, 2015 that the Trust provide written confirmation, subject to adequate funding from Pepsi: (a) the Consent Decree requires the Trust to complete all remediation work at the Remco Facility through and including a written "No Further Action" determination (or its equivalent) from the Court and the Regional Water Quality Control Board; and (b) the Trust will perform such remediation work.

If the City Council approves the attached documents, a motion to enter the Order timely will be filed with the Court.

The Trust would be pleased to respond to any questions. You may direct any questions to Anne Farr or Phil Hunsucker, the Trust's general counsel. Anne's phone number is (916) 781-9375. Phil's phone number is (925) 299-5104.

Very truly yours,
Hunsucker Goodstein PC


Philip C. Hunsucker

PCH:ksp
Encls.

ATTACHMENTS

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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

PEOPLE OF THE STATE OF CALIFORNIA
and the CITY OF WILLITS, CALIFORNIA,

Plaintiffs,

vs.

REMCO HYDRAULICS, INC., *et al.*,

Defendants.

Civil Action No. C96-0283 SI

**[PROPOSED] ORDER MODIFYING THE
AMENDED CONSENT DECREE**

RECITALS

WHEREAS, a consent decree was entered in this civil action on August 22, 1997 (“Consent Decree”);

WHEREAS, the Consent Decree was amended and an Amended Final Consent Decree (“AFCD”) was entered on December 22, 2000;

WHEREAS, the Court modified the AFCD on December 18, 2006;

WHEREAS, all the terms in **bold** in this order are terms defined in the AFCD and have the same meaning in this Order unless otherwise noted;

WHEREAS, pursuant to the Consent Decree, this Court established the **Willits Trust** as a qualified settlement fund to perform the **Work** as a Court appointed trustee under the jurisdiction of this Court and be held accountable to the Court, to: (1) address and appropriately abate the adverse environmental conditions in, at, around and emanating from the **Site**; (2)

1 administer the **Work**; and, (3) protect, preserve and invest the corpus of the fund to achieve the
2 purposes of this Consent Decree and the Orders of the Court;

3 **WHEREAS**, the AFCD sets out a process for remediation of the **Site**, consistent with the
4 **NCP**;

5 **WHEREAS**, the **Willits Trust** has been performing the **Work**;

6 **WHEREAS**, the **Lead Public Agency** and the California Regional Water Quality
7 Control Board, North Coast Region (“Regional Board”) have been providing regulatory
8 oversight of the **Work**;

9 **WHEREAS**, Whitman Corporation (“Whitman”), a Delaware corporation, formerly
10 known as IC Industries, Inc., was the legal successor to Stanray Corporation (“Stanray”),
11 formerly a Delaware corporation, which owned and operated the **Site** from 1968 through 1977;

12 **WHEREAS**, Pepsi-Cola Metropolitan Bottling Company, Inc. (“PMBC”) merged with
13 PepsiAmericas, Inc., the legal successor of Whitman by merger;

14 **WHEREAS**, Pneumo Abex LLC is the legal successor to Pneumo Abex Corporation;

15 **WHEREAS**, Section VIII.A.1. of the AFCD requires that the **Plaintiffs** diligently pursue
16 execution on and recovery of, all amounts due pursuant to the judgment granted in Section VII of
17 the AFCD (“Judgment”);

18 **WHEREAS**, **Plaintiffs** have diligently pursued recovery on the Judgment in the **Lloyds**
19 **Action** (defined below);

20 **WHEREAS**, the defendants in the **Lloyds Action** have filed claims for declaratory relief
21 against the **Settling Defendants**;

22 **WHEREAS**, the claims for coverage in dispute in the **Lloyds Action** are broader than
23 the **Plaintiffs’** claims on the Judgment and, as a result, the procedures provided for in the AFCD
24 for recovering on the Judgment are no longer viable;

25 **WHEREAS**, Whitman, PepsiAmericas, Inc., and now PMBC have been funding the
26 **Work** pursuant to the interim funding requirement in Section VI.B. (p. 17-23) of the AFCD;

1 National Indemnity Company does not adequately provide for the amount
2 estimated annually by the **Willits Trust** necessary to fund all **Willits**
3 **Trust** activities required for the **Work** necessary to complete the final
4 **RAP**, the **Stanray QSF** will set aside an amount that equals the estimated
5 shortfall, plus \$200,000.

6 4. The **Stanray QSF** will enter a contract with the **Willits**
7 **Trust** and PMBC in substantially the form attached as Exhibit A to the
8 order to modify the consent decree for the continuing funding for all
9 **Willits Trust** activities required for the **Work** necessary to complete the
10 final **RAP** that meets all of the requirements of Section VI.B.1. through
11 Section VI.B.9. of this Consent Decree and requires that the **Stanray QSF**
12 will set aside the amounts required by Sections VI.B of this Consent
13 Decree.

14 5. Notice of Additional Qualified Payment. Subject to
15 Section VI.B.2. of this Consent Decree, if at any time the **Trustee** of the
16 **Willits Trust** reasonably determines that the amount of assets available as
17 the **Corpus of the Willits Trust** will be inadequate to pay the amounts
18 reasonably calculated to become due and owing during the following
19 twelve (12) months to perform in a cost-effective, timely and efficient
20 manner the obligations imposed upon the **Willits Trust** hereunder and
21 under the **Trust Declaration**, including without limitation operations of
22 the **Willits Trust** and **Trustee** compensation, the **Willits Trust** shall
23 prepare and tender to the **Stanray QSF** and the **Remedial Defendants** a
24 **Notice of Additional Qualified Payment**. Such notice shall set forth in
25 writing the additional amounts required for the **Willits Trust** to meet its
26 obligations during the designated twelve (12) month period. On or before
27

1 the twentieth (20th) calendar day following service of the **Notice of**
2 **Additional Qualified Payment**, the **Remedial Defendants** shall either:
3 (1) instruct the **Stanray QSF** to pay the entire amount set forth in the
4 **Notice of Additional Qualified Payment**, or, in the event the **Notice of**
5 **Additional Qualified Payment** requires one or more sum certain
6 payments at a future date, unconditionally commit in writing to timely pay
7 such sums; or (2) commence and diligently pursue dispute resolution
8 concerning the **Notice of Additional Qualified Payment** in accordance
9 with Sections VI.B.6 through Section VI.B.9 of this Consent Decree. If
10 the **Remedial Defendants** fail to comply with the requirements set forth
11 in the **Notice of Additional Qualified Payment** in full or to timely
12 institute and diligently pursue dispute resolution in accordance with
13 Sections VI.B.6 through VI.B.9. of this Consent Decree, the amount(s) set
14 forth in the **Notice of Additional Qualified Payment** shall become
15 immediately due and owing in full on the date(s) set forth in the **Notice of**
16 **Additional Qualified Payment**. If the **Stanray QSF** fails to comply with
17 the requirements set forth in the **Notice of Additional Qualified Payment**
18 within five (5) days thereafter, the **Willits Trust** shall be entitled to
19 petition the Court by noticed motion, served upon the **Settling Parties**, for
20 issuance of lump-sum judgment in the sum(s) certain set forth in the
21 **Notice of Additional Qualified Payment**. The **Remedial Defendants**
22 shall file their objections, if any, to the request for lump-sum judgment
23 within five (5) days following service of the petition. No extension of this
24 period shall be granted unless the **Willits Trust** consents in writing. The
25 only defenses allowed to such petition shall be: (1) that **Remedial**
26 **Defendants** complied with the requirements of the **Notice of Additional**
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1 **Qualified Payment**; (2) that **Remedial Defendants** timely instituted and
2 are diligently and timely pursuing dispute resolution in accordance with
3 Sections VI.B.6 through VI.B.9. of this Consent Decree; or (3) that the
4 **Remedial Defendants** were not properly served with the required notice
5 of the issuance of the **Notice of Additional Qualified Payment** or of the
6 petition for lump-sum judgment. Should the Court award lump-sum
7 judgment, the Clerk shall forthwith issue such judgment and if not
8 satisfied by the **Remedial Defendants** within ten (10) days thereafter, the
9 **Willits Trust** may apply to the Clerk for issuance of, and the Clerk shall
10 issue, writ(s) of execution, including garnishment or attachment thereon,
11 in accordance with, and subject to, the covenant not to execute contained
12 in Section VII.D. of this Consent Decree.

13 6. Informal Dispute Resolution. On or before the twentieth
14 (20th) calendar day following receipt of the **Notice of Additional**
15 **Qualified Payment, Remedial Defendants** may, in writing, demand
16 informal dispute resolution concerning payment of amounts set forth in the
17 **Notice of Additional Qualified Payment.** The request shall set forth in
18 detail the amounts **Remedial Defendants** contend are unreasonable and
19 the bases for such contention. If **Remedial Defendants** request informal
20 dispute resolution, the **Willits Trust** and **Remedial Defendants** shall
21 confer informally for a period not less than twenty (20) days and not to
22 exceed forty-five (45) days to attempt to resolve any dispute concerning
23 the reasonableness of amounts set forth in the **Notice of Additional**
24 **Qualified Payment.** During the informal dispute resolution period, the
25 **Willits Trust** and the **Remedial Defendants** shall promptly exchange
26 such information as reasonably required to determine the reasonableness
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1 of the contested amounts. Nothing in this Section shall be deemed to
2 require the production or exchange of information subject to the attorney-
3 client privilege, attorney work product doctrine or any other applicable
4 privilege. The **Willits Trust** and **Remedial Defendants** may, upon
5 mutual written agreement, extend the informal meet and confer period by
6 two (2) additional twenty (20) day periods.

7 7. Formal Dispute Resolution. If the dispute is not resolved
8 pursuant to the informal dispute resolution provisions set forth in Section
9 VI.B.6. of this Consent Decree, **Remedial Defendants** shall file within
10 five (5) days from the termination of the informal dispute resolution
11 period set forth in Section VI.B.6. of this Consent Decree a written formal
12 dispute resolution petition in compliance with the requirements of Section
13 XXII of this Consent Decree, contesting the reasonableness of any amount
14 set forth in the **Notice of Additional Qualified Payment** deemed by
15 **Remedial Defendants** to be unreasonable (“Contested Amount”). Any
16 such petition shall set forth in detail the Contested Amounts and all of the
17 bases upon which the Contested Amounts are challenged as unreasonable
18 or unnecessary pursuant to the terms of this Consent Decree.

19 8. Condition Precedent to Formal Dispute Resolution. No
20 formal dispute resolution petition contesting amounts set forth in a **Notice**
21 **of Additional Qualified Payment** may be filed unless, prior to filing the
22 formal dispute resolution petition, the **Stanray QSF** or the **Remedial**
23 **Defendants** pay to the **Willits Trust**, and the **Willits Trust** shall have
24 received, the uncontested amounts in full along with 50% of the Contested
25 Amount. The **Willits Trust** shall maintain any payment of Contested
26 Amounts in a severable account until final resolution of the petition. The
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1 **Willits Trust** shall not use the Contested Amounts or interest earned
2 thereon to pay for the **Work** or the operations of the **Willits Trust** during
3 the pendency of the dispute resolution petition without prior leave of the
4 Court upon noticed motion, which may be granted by the Court to pay
5 reasonable amounts to achieve the goals and purposes of this Consent
6 Decree, if warranted by the circumstances. Any dispute resolution petition
7 filed in violation of this condition precedent shall be dismissed with
8 prejudice.

9 9. Formal Dispute Resolution Proceedings. Notwithstanding
10 any contrary provisions set forth in Sections XXII and XXIII of this
11 Consent Decree, the **Settling Parties** agree and the Court hereby finds,
12 orders, adjudges and decrees that in any formal dispute resolution
13 commenced concerning a **Notice of Additional Qualified Payment**, the
14 **Stanray QSF** shall pay the Contested Amount in full unless the **Remedial**
15 **Defendants** prove by clear and convincing evidence that the Contested
16 Amounts may not be properly demanded pursuant to the terms of this
17 Consent Decree or any Order(s) issued pursuant to it, or that they are
18 unreasonable and unnecessary to fulfil the purposes of the **Consent**
19 **Decree, Trust Declaration** or the **Work**. In the event that the position
20 asserted by the **Willits Trust** is determined, pursuant to the standard set
21 forth in Section VI.B.8., to be unreasonable, **Remedial Defendants** shall
22 not be responsible for payment of any Contested Amount found to be
23 unreasonable or unnecessary. To the extent that any or all of the fifty
24 percent (50%) of the Contested Amount paid by the **Stanray QSF** to the
25 **Willits Trust** relates to amounts finally determined to be unreasonable or
26 unnecessary, such unreasonable or unnecessary amounts shall be refunded
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1 by the **Willits Trust** to the **Stanray QSF** within ten (10) days after such
2 finding. In the event that the **Stanray QSF** fails to pay the amount of the
3 **Notice of Additional Qualified Payment** due as determined by dispute
4 resolution proceeding within five (5) days of the date specified by the final
5 order concerning the **Notice of Additional Qualified Payment**, the Court
6 hereby finds, orders, adjudges and decrees that the **Willits Trust** shall be
7 entitled to, and the Clerk shall issue, lump-sum judgment against the
8 **Stanray QSF** and the **Remedial Defendants**, jointly and severally, in the
9 sum certain of the **Notice of Additional Qualified Payment**. If the lump-
10 sum judgment is not satisfied by the **Stanray QSF** or the **Remedial**
11 **Defendants** within ten (10) days thereafter, the **Willits Trust** may apply
12 to the Clerk for issuance of, and the Clerk shall issue, writ(s) of execution,
13 including garnishment or attachment thereon, in accordance with, and
14 subject to, the covenant not to execute contained in Section VII.D. of this
15 Consent Decree.

16 12. Section VI.C. (Reserve Funds) (pp. 23-26) is superseded by this Order.

17 13. Section VI.D.2.-5. (pp. 27-29) of the AFCD are superseded by this Order.

18 14. The second sentence of Section VI.D.6. (p. 30) is deleted.

19 15. Section VII (pp. 30-33) of the AFCD is deleted as unnecessary in light of the
20 2006 modification of the AFCD and the Court's approval of the **Willits Trust's** contract with the
21 **Stanray QSF** in this Order.

22 16. Section VIII.A.1. (Judgment Execution) (p. 33) is superseded by this Order.

23 17. Section VIII.A.2. (Funding of **Willits Trust**) (p. 33) of the AFCD is replaced with
24 the following:

25 **Plaintiffs** shall, immediately upon receipt, deposit in the **Stanray QSF** all
26 proceeds from all recoveries for claims arising from or related to the
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1 environmental conditions in, at, around or emanating from the **Site**, specifically
2 including any and all recoveries from non-settling parties and all proceeds from
3 any action(s) to recover on, or settlements regarding, the judgment granted in
4 Section VII of this Consent Decree;

5 18. Section VIII.A.3. (Non-Settling Party Claims) (p. 33) of the AFCD is replaced
6 with the following:

7 Settling Claims. **Plaintiffs** shall consult with, and obtain concurrence from, the
8 **Stanray QSF** prior to settling, compromising, valuing, or resolving any claims
9 the **Plaintiffs** have, or may have, against any non-settling parties arising from or
10 relating to the environmental conditions at and in the vicinity of the **Site**,
11 including without limitation claims arising from or relating to property damage
12 caused by the presence of **Hazardous Substances** in, at, around and emanating
13 from the **Site**;

14 19. Section VIII.A.4. (Transfer of Judgment or Obligations) (pp. 33-34) of the AFCD
15 is replaced with the following:

16 No Transfer of Judgment or Obligations. **Plaintiffs** shall not pledge, assign, or
17 transfer the judgment awarded in Section VII of this Consent Decree or assign to
18 any other person any of its obligations under this Consent Decree without first
19 providing written notice of the proposed transfer to the **Stanray QSF** and
20 **Remedial Defendants.** **Plaintiffs** shall not pledge, assign, or transfer the
21 judgment awarded in Section VII of this Consent Decree or assign to any other
22 person any of its obligations under this Consent Decree without providing written
23 notice to the prospective transferee or assignee of the complete terms and
24 conditions of the covenant not to execute contained in Section VII.D. of this
25 Consent Decree and the other obligations of **Plaintiffs** under this Consent Decree.
26 The **Stanray QSF** or the **Remedial Defendants** may contest any such
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1 assignment, pursuant to Sections XXII and XXIII of this Consent Decree, if it is
2 alleged that such transfer may adversely affect the ability of the **Willits Trust** to
3 perform the **Work** or otherwise achieve the goals and purposes of the Consent
4 Decree or **Trust Declaration**.

5 20. Section VIII.A.5. (Effect of Transfer of Judgment to **Willits Trust**) (p. 34) of the
6 AFCD is replaced with the following:

7 Release of Claims and Dismissal With Prejudice for the **Lloyds Action**.

8 **Plaintiffs** will release its claims against the insurers in the **Lloyds Action** and
9 agree to dismiss the insurers in the **Lloyds Action** with prejudice in a form
10 requested by PMBC that PMBC represents is necessary to obtain a recovery
11 sufficient for the **Stanray QSF** to perform its agreement to provide funding for all
12 **Willits Trust** activities required for the **Work** necessary to complete the final
13 **RAP**.

14 21. Section VIII.A.6. (Cooperation) (p. 34) of the AFCD is replaced with the
15 following:

16 **Plaintiffs** shall cooperate with the **Stanray QSF**, the **Willits Trust** and the other
17 **Settling Parties** in the prosecution of all claims arising from or related to this
18 Consent Decree or the environmental conditions at the **Site**, including, but not
19 limited to, the production of all documents and records, and the provision of
20 testimony as may be reasonably requested or required by the **Stanray QSF**, the
21 **Willits Trust** or other **Settling Parties**.

22 22. Section VIII.B.1.c. (p. 35) of the AFCD is replaced with the following:

23 Defendant Pneumo Abex shall cooperate with the **Willits Trust**, the **Stanray**
24 **QSF** and the other **Settling Parties** in the prosecution of all claims arising from
25 or related to this Consent Decree or the environmental conditions in, at, around or
26 emanating from the **Site**, including, but not limited to, the production of all
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1 documents and records, and the provision of testimony as may be reasonably
2 requested or required by the **Stanray QSF**, the **Willits Trust** or other **Settling**
3 **Parties**;

4 23. Section VIII.B.1.d. (p. 35) is superseded by this Order.

5 24. Section VIII.B.1.g. of the AFCD is added after Section VII.B.1.f. (pp. 35-36) as
6 follows:

7 Assignment to **Stanray QSF**. The **Willits Trust** hereby irrevocably assigns to
8 the **Stanray QSF** all of Defendant Pneumo-Abex's claims, causes of action,
9 choses in action, things in action or other rights for recovery, specifically
10 including any rights for indemnity, defense or recovery of costs of defense
11 pursuant to any policies of insurance, if any, arising from or related to the
12 environmental conditions in, at, around or emanating from the **Site** that previously
13 were assigned to the **Willits Trust**.

14 25. Section VIII.B.2.c. (Cooperation) (p. 35) of the AFCD is replaced with the
15 following:

16 Cooperation. Defendant Remco shall cooperate with the, **Willits Trust**, the
17 **Stanray QSF** and the other **Settling Parties** in the prosecution of all claims
18 arising from or related to this Consent Decree or the environmental conditions in,
19 at, around or emanating from the **Site**, including, but not limited to, the
20 production of all documents and records, and the provision of testimony as may
21 be reasonably requested or required by the **Stanray QSF**, the **Willits Trust** or
22 other **Settling Parties**;

23 26. Section VIII.B.2.d. of the AFCD is added after Section VIII.B.2.c. (page 35) as
24 follows:

25 Assignment to **Stanray QSF**. The **Willits Trust** hereby irrevocably assigns to
26 the **Stanray QSF** all of Defendant Remco's claims, causes of action, choses in
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1 action, things in action, or other rights, if any, including for indemnity or defense,
2 arising from or related to the environmental conditions in, at, around or emanating
3 from the **Site** that previously were assigned to the **Willits Trust**;

4 27. Section VIII.B.3.d. (Cooperation) (p. 37) of the AFCD is replaced with the
5 following:

6 Cooperation. Defendant PMBC shall cooperate with the, **Willits Trust**, the
7 **Stanray QSF** and the other **Settling Parties** in the prosecution of all claims
8 arising from or related to this Consent Decree or the environmental conditions in,
9 at, around or emanating from the **Site**, including, but not limited to, the
10 production of all documents and records, and the provision of testimony as may
11 be reasonably requested or required by **Plaintiffs**, the **Stanray QSF** or the **Willits**
12 **Trust**;

13 28. Section VIII.B.3.g. of the AFCD is added after Section VIII.B.3.f. (page 38) as
14 follows:

15 Assignment to Stanray QSF. The **Willits Trust** hereby irrevocably assigns to
16 the **Stanray QSF** all of Defendant PMBC's claims, causes of action, choses in
17 action, things in action, or other rights, if any, including for indemnity or defense,
18 arising from or related to the environmental conditions in, at, around or emanating
19 from the **Site** that previously were assigned to the **Willits Trust**;

20 29. Section XIII.B. (Final Remedial Action) of the AFCD (pp. 56-64) is replaced with
21 the following:

22 At its **Sole Cost**, as funded pursuant to the terms of this Consent Decree, as
23 modified, consistent with the **NCP**, and in compliance with any applicable state
24 and local requirements which do not conflict with the requirements of federal law
25 or this Consent Decree, the **Willits Trust** shall cost-effectively perform all the
26 **Work** required for completion of the **RAP**, including a written "No Further
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1 Action” determination (or its equivalent) from the Court and the Regional Board.

2 30. Section XXVII.D. (pp. 67-68) of the AFCD is replaced with the following:
3 Individuals and Addresses. Whenever notice is required to be given, pursuant to
4 this Consent Decree, a report or other document is required to be forwarded by
5 one **Settling Party** to another **Settling Party**, the **Settling Parties**, the **Willits**
6 **Trust**, the **Stanray QSF**, or the **Lead Public Agency**, it shall be directed to all
7 the legal counsel designated in Section X of this Consent Decree and to the
8 following individuals at the addresses identified below:
9

10 1. As to **Plaintiffs**:

- 11 a. Stuart I. Block, Esq.
12 Stice & Block LLP
13 2335 Broadway #201,
14 Oakland, CA 94612
15 Telephone: (510) 735-0030
16 Fax: (510) 735-0040
- 17 b. H. James Lance, Esq.
18 City Attorney, City of Willits, California
19 3000 Robinson Creek Rd
20 Ukiah, CA 95482
21 Telephone: (707) 463-1075
22 Fax: (707) 462-9386

23 2. As to the **Willits Trust**:

- 24 a. Anne M. Farr, PhD
25 5856 Granite Hills Drive
26 Granite Bay California 95746
27 Telephone: (916) 781-9327
28 Fax: (916) 781-9357
- b. Philip C. Hunsucker, Esq.
Hunsucker Goodstein PC
3717 Mt. Diablo Blvd., Suite 200
Lafayette, California 94549
Telephone: (925) 299-5104
Fax: (925) 284-0870

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3. As to the **Stanray QSF**:

Attn: Troy L. Chute, TTEE
1101 Pennsylvania Ave. NW, 6th Floor
Washington, DC 20004

4. As to the **Lead Public Agency**:

a. Public Works Director
City of Willits
111 East Commercial
Willits, California 95490
Telephone: (707) 459-4601
Fax: (707) 459-1562

5. As to the **RWQCB**:

a. Cody Walker
State of California Regional Water Quality Control Board-
North Coast Region
5550 Skylane Boulevard, Suite A
Santa Rosa, California 95403
Telephone: (707) 576-2676
Fax: (707) 523-0135

b. _____
Staff Counsel
California State Water Resources Control Board
901 "P" Street
Sacramento, California 95814
Telephone: (916) 657-2424
Facsimile: (916) 653-0428

6. As to Defendants Pneumo Abex and PMBC:

a. Pneumo Abex LLC
c/o Keith Odenweller
Integra Management Company, LLC
P.O. Box 1539
Spring, Texas 77383
Direct (281) 298-3191
Fax (281) 298-6310

b. David Patrick
Legal Senior Director, Operations

1 North America Beverages/North America Nutrition
2 One Pepsi Way; MD-7S-54
3 Somers, New York 10589
4 Telephone: (914) 767-7107
5 Facsimile: (914) 767-7944

6 c. Dennis Reis, Esq.
7 Briggs & Morgan PA
8 2200 IDS Center
9 80 South Eighth Street
10 Minneapolis, MN 55402
11 Telephone: (612) 977-8400
12 Facsimile: (612) 977-8650

13 7. As to Defendant Remco:

14 As directed by the Court.

15 31. Section XXIV.F.1. (Releases of Federal Claims) (p. 75) of the AFCD is replaced
16 with the following:

17 1. Preservation of Rights. Nothing in this Consent Decree shall be
18 construed to create any rights in, or grant any cause of action to, any person not a
19 party to this Consent Decree. The preceding sentence shall not be construed to
20 waive or nullify any rights that any person not a signatory to this decree may have
21 under applicable law. Each of the **Settling Parties** expressly reserves any and all
22 rights (including, but not limited to, any right to contribution), defenses, claims,
23 demands, and causes of action which each party may have with respect to any
24 matter, transaction, or occurrence relating in any way to the **Site** against any
25 person not a party hereto.

26 2. Contribution Protection. The **Settling Parties** agree, and by
27 entering this Consent Decree the Court finds, that this Consent Decree constitutes
28 a judicially-approved settlement for purposes of Section 113(f)(2) of CERCLA,
42 U.S.C. § 9613(f)(2), and that the **Settling Defendants** are entitled to protection
from contribution actions or claims as provided by Section 113(f)(2) of CERCLA,
and to such additional protection from claims of persons not a party to this

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Consent Decree as may be otherwise provided by law, for “matters addressed” in this Consent Decree. The “matters addressed” in this Consent Decree are all response actions taken or to be taken and all response costs incurred or to be incurred, at or in connection with the Site, by the United States, the State, or any other person.

32. Section XXIV.F.2 (pp. 75-76) is renumbered Section XXIV.F.3.

33. Other than as set forth in this Order, the AFCD remains in full force and effect.

34. The Court shall retain jurisdiction over the parties, the **Willits Trust**, and the **Stanray QSF**, along with the subject matter of this action for purposes of: (1) enforcing the Agreement between the **Stanray QSF**, the **Willits Trust** and PMBC to provide adequate funding for all **Willits Trust** activities required for the **Work** necessary to complete the final **RAP**; and, (2) resolving any dispute(s) regarding implementation of this Order or the AFCD.

IT IS SO ORDERED:

THIS ____ DAY OF _____, 2015

The Honorable Susan Illston
United States District Court Judge

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Approved as to form:

Dated: _____

CITY OF WILLITS, CA

By: _____
H. James Lance
City Attorney

Dated: _____

STICE & BLOCK LLP

By: _____
Stuart I. Block
Attorneys for the City of Willits

Dated: _____

MORGAN, LEWIS & BOCKIUS LLP

By: _____
Collie F. James, IV
Attorneys for Pepsi-Cola Metropolitan Bottling
Company, Inc.

Exhibit A

(Draft Stanray QSF Contract)

Exhibit A

AGREEMENT

The Stanray QSF, and the Willits Environmental Remediation Trust (“Willits Trust”) and Pepsi-Cola Metropolitan Bottling Company, Inc. (“PMBC”) enter into this Agreement (“Agreement”) in connection with the continuing funding of the Willits Trust on the terms and conditions below.

RECITALS

WHEREAS, on August 22, 1997, the United States District Court for the Northern District of California (the “Court”) issued a consent decree in *People of the State of California, et al. v. Remco Hydraulics, Inc. et al.*, Civil Action No. C-96-0283-SI, in the United States District Court for the Northern District of California (the “Remco Action”);

WHEREAS, the Consent Decree was amended and an Amended Final Consent Decree (AFDC) was entered on December 22, 2000;

WHEREAS, the Court modified the AFCD on December 18, 2006 pursuant to a settlement approved by the Court;

WHEREAS, pursuant to the Consent Decree, the Court established the Willits Trust as a qualified settlement fund to perform the Work¹ as a Court appointed trustee under the jurisdiction of the Court and be held accountable to the Court, to: (1) address and appropriately abate the adverse environmental conditions in, at, around and emanating from the Site; (2) administer the Work; and, (3) protect, preserve and invest the corpus of the fund to achieve the purposes of the AFCD and the Orders of the Court;

WHEREAS, the AFCD sets out a process for remediation of the Site, consistent with the national contingency plan (“NCP”);

WHEREAS, the Willits Trust has been performing the Work;

WHEREAS, the City of Willits Public Works Department (“Lead Public Agency”) and the California Regional Water Quality Control Board, North Coast Region (“Regional Board”) have been providing regulatory oversight of the Work;

WHEREAS, Whitman Corporation (“Whitman”), a Delaware corporation, formerly known as IC Industries, Inc., was the legal successor by statutory short-form merger to Stanray Corporation (“Stanray”), formerly a Delaware corporation, which owned and operated the Site from 1968 through 1977;

WHEREAS, PMBC is the legal successor to Whitman by merger and name change as PepsiAmericas, Inc. merged with Whitman, and then PepsiAmericas, Inc. subsequently merged with and into PMBC;

¹ As used in this Agreement, the terms “Work” and “Site” have the same meanings as defined in the Amended Final Consent Decree.

WHEREAS, Section VIII.A.1. of the AFCD requires that the Plaintiffs in the Remco Action diligently pursue execution on and recovery of, all amounts due pursuant to the judgment granted in Section VII of the AFCD (“Judgment”);

WHEREAS, the Plaintiffs in the Remco Action have diligently pursued recovery on the Judgment in *People of the State of California and the City of Willits v. Lloyd’s of London and Certain London Market Insurers*, Case No. SCV 217769 (Cal. Superior Court - Sonoma County)(“the Lloyds Action”);

WHEREAS, Section VIII.A.2. of the AFCD requires that Plaintiffs in the Remco Action immediately deposit in the Willits Trust any recoveries by Plaintiffs on the Judgment granted in Section VII of the AFCD;

WHEREAS, Whitman and later PepsiAmericas, Inc. and now PMBC have been funding the Work pursuant to the interim funding requirement in Section VI.B. (p. 17-23) of the AFCD;

WHEREAS, on June 15, 2015, pursuant to Section XIII.B.1.g. (Agreement on Final Remedial Action Plan) (p. 58) of the AFCD, the Willits Trust provided notice of the selection of agreed final remedial action plans (“RAP”) for the Remco Facility and for the Page Property, both of which are part of the Site;

WHEREAS, the requirement in the AFCD for interim funding for the Work ends when the Willits Trust files with the Court a notice of the selection of an agreed final RAP;

WHEREAS, the Stanray QSF has been created, among other reasons, to receive recoveries from the Lloyds Action and pay future environmental claims; and,

WHEREAS, the Stanray QSF has agreed to provide adequate funding for all Willits Trust activities required for the Work, including payments to be received from a financial instrument issued by National Indemnity Company (“NICO”) attached as Appendix A.

TERMS AND CONDITIONS

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The Stanray QSF agrees to receive all future recoveries from any insurer defendant in the Lloyds Action.
2. The Stanray QSF agrees to provide funding for all Willits Trust activities required for the Work necessary to complete the final RAP.
3. For so long as there is funding for the Work and as directed by the Court, the Willits Trust will perform all the activities required for the Work necessary to complete the final RAP and all the other requirements of the AFCD.
4. The Stanray QSF will make available to the Willits Trust as needed payments totaling \$4,325,000 that the Stanray QSF will receive from a financial instrument issued by NICO attached as Appendix A (“Financial Instrument”). Based on the assumptions in Willits

Trust's current estimate of the amount necessary to assure the funding for all Willits Trust activities required for the Work necessary to complete the final RAP and all the other requirements of the AFCD, the payments contemplated from the financial instrument would be sufficient.

5. The Willits Trust's estimate of the funding for all Willits Trust activities required for the Work necessary to complete the final RAP and all the other requirements of the AFCD will be adjusted on an annual basis at the time the Willits Trust prepares revisions, subject to the procedure in Section VI.B. (Continuing Funding) of the AFCD ("Annual Estimate").

6. To the extent that the Financial Instrument does not adequately meet the Annual Estimate, the Stanray QSF will set aside an amount that equals the estimated shortfall, plus \$200,000 ("Additional Set Aside").

7. The Stanray QSF has other funding commitments besides those contained in this Agreement. However, upon approval of this Agreement by the Court, the Stanray QSF will maintain sufficient funds to perform its requirements under this Agreement and shall set aside and give the Willits Trust first priority to the Financial Instrument and the Additional Set Aside, if any.

8. The Stanray QSF agrees to submit to the non-exclusive jurisdiction of the Court, recognizing that the Stanray QSF remains subject to the jurisdiction of the United States District Court for Central District of California ("the Central District Court") as set forth in the October 31, 2013 order attached hereto as Appendix B. The exercise of the Court's non-exclusive jurisdiction shall not in any way supersede, limit, or interfere with the continuing jurisdiction of the Central District Court, including the Central District Court's exercise of any powers provided in the Operating Agreement for Stanray QSF. The Stanray QSF further agrees to follow all applicable provisions of the AFCD, including but not limited to the Notice of Additional Qualified Payment and Dispute Resolution procedures contained in Section VI.B. of the AFCD.

9. PMBC agrees to instruct all settling insurers in the Lloyds Action to transfer all settlement proceeds into the Stanray QSF so that the Stanray QSF can perform its agreement to provide funding for all Willits Trust activities required for the Work necessary to complete the final RAP.

10. The Willits Trust agrees to cooperate with PMBC in the Lloyds Action, including informing the City of Willits that it believes this Agreement provides sufficient financial assurance for the future funding requirements for the remediation and requesting that the City of Willits release all claims in the Lloyd's Action against any settling insurer.

11. This Agreement is contingent upon the Court approving this Agreement and the modifications to the continuing funding provisions of the AFCD.

GENERAL PROVISIONS

12. Controlling Law. This Agreement is entered into in the State of California. This Agreement will be governed by and construed in accordance with the laws of the United States and of the State of California as if applied to transactions entered into and to be performed

wholly within California between California residents. No parties shall argue or assert that any law other than California law applies to the governance or construction of this Agreement.

13. Notice. Any notice provided for or permitted under this Agreement will be treated as having been given when (a) delivered personally, (b) sent by confirmed fax, (c) sent by commercial overnight courier with written verification of receipt, or (d) mailed postage prepaid by certified or registered mail, return receipt requested, to the parties to be notified, at the address set forth below, or at such other place of which the other parties has been notified in accordance with the provisions of this Section 13 this Agreement.

1. As to the **Willits Trust**:

- a. Anne M. Farr, PhD
5856 Granite Hills Drive
Granite Bay California 95746
Telephone: (916) 781-9327
Fax: (916) 781-9357
- b. Philip C. Hunsucker, Esq.
Hunsucker Goodstein PC
3717 Mt. Diablo Blvd., Suite 200
Lafayette, California 94549
Telephone: (925) 299-5104
Fax: (925) 284-0870

2. As to the **Stanray QSF**:

- a. Stanray QSF
Attn: Troy L. Chute, TTEE
1101 Pennsylvania Ave. NW, 6th Floor
Washington, DC 20004
- b. Daniel E. Chefitz
Morgan, Lewis & Bockius, LLP
1111 Pennsylvania Avenue, NW
Washington, DC 20004
Telephone: (202) 739-3000
Facsimile: (202) 739-3001

3. As to **PMBC**:

David Patrick
Legal Senior Director, Operations
North America Beverages/North America Nutrition
One Pepsi Way; MD-7S-54
Somers, New York 10589

Telephone: (914) 767-7107
Facsimile: (914) 767-7944

14. Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to this subject matter and its terms are contractual, not a mere recital. Except as specifically provided in this Agreement, this Agreement supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral.

15. No Third Party Beneficiaries. The parties do not intend, and nothing in this Agreement shall be construed to mean, that any provision in this Agreement is for the benefit of any person or entity who is not a party.

16. Modification of this Agreement. This Agreement may be amended or supplemented only by a writing that is signed by duly authorized representatives of all of the parties. Any modification of this agreement must be approved by the Court on a duly noticed motion.

17. Effect of Partial Invalidity. If any term or provision of this Agreement is found to be invalid, in violation of public policy or unenforceable to any extent, such finding shall not invalidate any other term or provision of this Agreement and such other terms and provisions shall continue in full force and effect. The parties understand, intend, and agree that this Agreement and each of the terms, covenants, and provisions of this Agreement shall be enforced to the greatest extent permitted by law. If any part of this Agreement is found invalid or unenforceable, that part will be amended to achieve as nearly as possible the same economic effect as the original provision and the remainder of this Agreement will remain in full force.

18. Signature in Counterparts. The parties agree that separate copies of this Agreement may be signed by each of the parties and this Agreement will have the same force and effect as if the original had been signed by all the parties. The parties further agree that delivery by e-mail of a Portable Document Format (PDF) version of an executed signature page, sent by or on behalf of the party that executed that signature page shall create a valid and binding obligation of that party with the same force and effect as if the PDF were the original of that executed signature page.

19. Cooperation. The parties agree that they shall facilitate, in good faith, the effectuation of this Agreement.

20. Voluntary Undertaking. The parties acknowledge that they have read this Agreement and are fully aware of the contents of this Agreement and its legal effect. This Agreement is entered into voluntarily and without any coercion by or undue influence on the part of any person, firm or corporation.

21. Independent Legal Advice and Investigation. In entering into this Agreement, the parties acknowledge that they have received independent legal advice from their own attorney and have relied on their own investigation and upon the advice of their own attorney with respect to the advisability of making the settlement provided in this Agreement.

22. No Oral Waiver. No term or provision of this Agreement will be considered waived by any party, and no breach excused by any party, unless such waiver or consent is in writing signed on behalf of the parties against whom the waiver is asserted. No consent by any party to, or waiver of, a breach by any party, whether express or implied, will constitute consent to, waiver of, or excuse of any other, different, or subsequent breach by any party.

23. Joint Drafting Effort. The parties acknowledge and agree that the drafting of this Agreement has been a joint effort by the parties and that this Agreement shall not be deemed prepared or drafted by any one of the parties. The terms of this Agreement shall be interpreted fairly and in accordance with their intent and not for or against any one of the parties. The parties further acknowledge and agree that each of the parties possess equal bargaining power with respect to this Agreement.

REPRESENTATIONS AND WARRANTIES

24. PMBC and the Stanray QSF represent that the Stanray QSF currently has on hand approximately \$5,300,000 and has written agreements to receive at least an additional \$6,175,000 from insurers over the next three years, in addition to the financial instrument issued by NICO.

25. The parties represent and warrant:

- a. That each is fully authorized to enter into this Agreement;
- b. That each parties which is a corporate entity is duly organized and validly existing in good standing under the laws of one of the states of the United States of America;
- c. That the making and performance of this Agreement will not violate any provision of law or of any parties' articles of incorporation, charter or by-laws;
- d. That each corporate party has taken all necessary corporate and internal legal actions to duly approve the making and performance of this Agreement and that no further corporate or other internal approval is necessary; and,
- e. That each party has read this Agreement in its entirety and know the contents of this Agreement, that the terms of this Agreement are contractual and not merely recitals, and that they have signed this Agreement, having obtained the advice of legal counsel.

(SIGNATURES FOLLOW ON THE NEXT PAGE)

IN WITNESS WHEREOF, the parties to this Agreement have duly affixed their signatures on the date below.

**PEPSI-COLA METROPOLITAN BOTTLING COMPANY,
INC.**

By: _____
Signature

Printed Name

Title

Date: _____

STANRAY QSF

By: _____
Troy L. Chute
Trustee

Date: _____

WILLITS ENVIRONMENTAL REMEDIATION TRUST

By: _____
AMF Remediation Corp., Trustee
Anne M. Farr, President

Date: _____

APPENDIX A – NICO FINANCIAL INSTRUMENT

[TO BE ATTACHED]



National Indemnity Company

A member of the Berkshire Hathaway group of insurance companies

MULTI-PARTY REINSURANCE AGREEMENT

Ceding Company(ies) Continental Casualty Company, as defined in the CNA Settlement Agreement, and certain Underwriters at Lloyd's London, certain London Market Insurance Companies, as defined in the London Settlement Agreement

Ceding Company Policy No(s): Policies referenced in Attachment A to the CNA Settlement Agreement and the London Settlement Agreement

Original Insured: Stanray Corporation

Payee: Stanray Qualified Settlement Fund Trust, as defined in the Settlement Agreements

Settlement Agreements: Confidential Settlement Agreement and Release between Continental Casualty Company and Metro, Pneumo Abex and the Stanray Qualified Settlement Fund Trust ("CNA Settlement Agreement") and the Confidential Settlement Agreement and Release between certain Underwriters at Lloyd's London, certain London Market Insurance Companies, Equitas Insurance Limited and Metro, Pneumo Abex and the Stanray Qualified Settlement Fund Trust ("London Settlement Agreement")

Date Premium Received: July 23, 2015
(to be completed by Reinsurer)

Reinsurance No.: NI-15-12882
(to be completed by Reinsurer)

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, this Reinsurance Agreement is made and entered into on the above-given date, by and between National Indemnity Company, Omaha, Nebraska, (herein referred to as the "Reinsurer"), the above-named ceding company(ies) (herein referred to as the "Company"), Pepsi Metropolitan Bottling Company, Inc. and Pneumo Abex, LLC (each as defined in the above-referenced Settlement Agreements and referred to collectively herein as the "Settling Claimants"), and the above-named payee herein referred to as the "Payee".

- I. **Indemnification.** The Reinsurer agrees to indemnify the Company for the obligations arising out of the original policies of insurance listed above undertaken by the Company under the Settlement Agreements between the Settling Claimants and the Company as specified in the attached Schedule of Payments (the "Periodic Payments").
- II. **Designation of the Reinsurer as Exclusive Obligor.** In order to terminate its liability to make the Periodic Payments as required by the Settlement Agreements, the Company designates the Reinsurer as the exclusive obligor of the Periodic Payments and further directs that the Reinsurer shall make such Periodic Payments directly to the Payee. The Settling Claimants consent to this designation.
- III. **Releases.** In consideration of the payments made under the Settlement Agreements and the Periodic Payments to be made under this Reinsurance Agreement, the Settling Claimants release and forever discharge the Company, the Reinsurer, and any of the Reinsurer's past, present and future officers, directors, attorneys, agents, employees, subsidiaries, affiliates, parent corporations, partners, and successors in interest from any and all past, present or future claims and demands, that the Settling Claimants have or claim to have, for or in any manner arising from the settled matter(s) except as specifically addressed in the Settlement Agreements; provided, this release shall not affect the Reinsurer's obligation under this Reinsurance Agreement to make the Periodic Payments specified in the Schedule of Payments. This release and discharge shall be a fully binding and complete settlement among all parties to this Reinsurance Agreement.



National Indemnity Company

The Settling Claimants and Payee agree to look solely to the Reinsurer for payment of the Periodic Payments and fully and completely release and discharge the Company from any liability for the Periodic Payments. The Company shall not incur any liability, obligation or responsibility for any default, nonperformance or nonpayment by the Reinsurer of the Periodic Payments.

Neither the Company nor, in the event of its insolvency, its receiver, liquidator, or statutory successor, have the right to any of the Periodic Payments. The Company releases and discharges the Reinsurer from any obligation to make any payments under this Reinsurance Agreement to or at the direction of the Company, or in the event of the Company's insolvency, to or at the direction of its receiver, liquidator or statutory successor.

- IV. **No Reimbursement of the Company's Expenses.** The Reinsurer is not responsible for the payment or reimbursement of any expenses incurred or reimbursed by the Company in the investigation, defense and settlement of the claims covered by this Reinsurance Agreement, with the exception of those obligations the Reinsurer assumes under Paragraph V of this Reinsurance Agreement.
- V. **Indemnity Granted by the Reinsurer.** The Reinsurer will indemnify the Company for any claims made by the Settling Claimants or Payee against the Company which arise solely from the Reinsurer's failure to make any of the Periodic Payments. In connection with any such claim subject to indemnification hereunder, the Company shall provide prompt written notice to the Reinsurer of such claim and the Company agrees that the Reinsurer shall have the right, but not the obligation, to assume the defense of any such claim. Should the Reinsurer elect to assume the defense of any such claim, the Reinsurer shall not be liable to the Company for any costs or expenses subsequently incurred by the Company in connection with such defense. The Company agrees it shall not admit any liability with respect to, or settle or compromise any such claim without the Reinsurer's prior written consent, which consent shall not be unreasonably withheld.
- VI. **Nature of Payments.**
- (a) **Reason for Payments.**
The parties agree that the Periodic Payments are lump sums and periodic payments, respectively, in settlement of claims arising under the Company's insurance policies as referenced in Attachment A to the Settlement Agreements.
- (b) **Status of the Settling Claimants and Payee.**
The Reinsurer assumes no liability to the Settling Claimants and Payee other than the liability to make the Periodic Payments. The Reinsurer's obligation to make the Periodic Payments on behalf of the Company is an unfunded and unsecured obligation to pay money in the future. The Settling Claimants and Payee acknowledge and agree that: (i) their rights against the Reinsurer are those of a general creditor; (ii) the Reinsurer neither has made nor is it under any duty to make funds available to the Settling Claimants or Payee except as specifically provided in the Schedule of Payments; (iii) the Reinsurer is not required to and has no intention to set aside funds for the Settling Claimants or Payee or to otherwise secure its obligations hereunder; (iv) The Settling Claimants and Payee have no right to direct or control the investment of any assets of the Reinsurer including consideration received by the Reinsurer under this Reinsurance Agreement.
- VII. **No Third Party Rights.** Under no circumstances shall anyone other than the Reinsurer, Settling Claimants, Payee, or Company or, in the event of the Company's insolvency, its receiver, liquidator or statutory successor, have any rights under this Reinsurance Agreement.
- VIII. **Acceleration; Transfer of Payment Rights.** None of the Periodic Payments nor any rights to or interest in any of the Periodic Payments (all of the foregoing being hereinafter collectively referred to as "Payment Rights") can be accelerated, deferred, increased or decreased by any recipient of the Periodic Payments. The Periodic Payments are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge or encumbrance by the Settling Claimants or Payee; and any attempt to do so will be void and invalid and shall not bind or be recognized by the Company or the Reinsurer.
- IX. **Discharge of Liability.** The Reinsurer's liability to make the Periodic Payments on behalf of the Company shall be fully discharged upon:
- (a) the mailing of a valid check on or before the due date for such Periodic Payment to the address of record specified by the Payee.
- If the Payee does not receive a scheduled payment by check on the due date, the Payee shall notify the Reinsurer. Upon receipt of such notification, the Reinsurer shall initiate a stop payment action for such check and upon confirmation that such check was not previously negotiated shall promptly mail a replacement check; or



National Indemnity Company

- (b) the electronic funds transfer (EFT) on or before the due date for such Periodic Payment to the United States financial institution account designated by the Payee.

If the Payee does not receive a scheduled EFT payment on the due date, the Payee shall notify the Reinsurer. Upon receipt of such notification, the Reinsurer shall initiate a trace for such payment and upon confirmation that such payment was not credited to the account shall promptly issue an EFT replacement.

The Payee shall at all times keep the Reinsurer apprised of the Payee's current mailing address and telephone number and, if the Payee receives payments by electronic funds transfer (EFT), the name, address, ABA routing number and telephone number of the applicable United States financial institution and the account name and number of the account to which the payments are to be credited. Such notices shall be in a form provided by, or satisfactory to the Reinsurer.

- X. **Advice; Comprehension of Reinsurance Agreement.** In entering into this Reinsurance Agreement, the Settling Claimants and Payee warrant, represent and agree that such Settling Claimants or Payee are solely relying on the attorneys and advisors of such Settling Claimants or Payee's own choosing, and not upon the Company, the Reinsurer or their advisors, for advice regarding the legal and tax consequences of this Reinsurance Agreement. The Settling Claimants and Payee further warrant, represent and agree that the terms of this Reinsurance Agreement have been completely read by and fully understood and voluntarily accepted. Furthermore, each Settling Claimants and Payee hereby release and discharge the Company, the Reinsurer, their affiliates and their respective employees and advisors ("Releasees") from any and all claims, rights, damages, costs or expenses of any nature whatsoever that the Settling Claimants or Payee now has or may have in the future against such Releasees (i) with respect to the present and future taxation of this Reinsurance Agreement or the Periodic Payments.
- XI. **Future Cooperation.** All parties agree to cooperate fully and to execute any and all supplementary documents and take all additional actions that are not inconsistent with its terms and that may be necessary or appropriate to give full force and effect to the terms and intent of this Reinsurance Agreement.
- XII. **Governing Law; Binding Effect; Execution in Counterparts.**
- (a) This Reinsurance Agreement shall be governed by and interpreted in accordance with the internal laws of the State of New York; and
- (b) This Reinsurance Agreement shall be binding upon the parties and their respective successors, heirs, executors, administrators and permitted assigns, including without limitation any party asserting an interest in Payment Rights.
- (c) In the case of any conflict between the provisions of this Reinsurance Agreement and the Settlement Agreement in respect to the Periodic Payments, the provisions of this Reinsurance Agreement shall prevail.
- (d) This Reinsurance Agreement may be executed and delivered in counterparts, all of which taken together shall constitute a single instrument.



National Indemnity Company

Ceding Company: Continental Casualty Company, as defined in the CNA Settlement Agreement

By: [Signature]
Signature
Title: President
Resolute Management Inc., as authorized representative
Date: 12/10/15

Ceding Company:
Certain Underwriters at Lloyd's London, certain London Market Insurance Companies, as defined in the London Settlement Agreement

By: [Signature]
Signature
Title: President
Resolute Management Inc., as authorized representative
Date: 12/10/15

NATIONAL INDEMNITY COMPANY

By: [Signature]
Signature
Title: Asst Secretary
Date: 12/29/15

Settling Claimant - Pepsi-Cola Metropolitan Bottling Company, Inc ("Metro")

By:
Signature
Title:
Date:

Settling Claimant - Pneumo Abex, LLC

By: [Signature]
Signature
Title: Agent
Date: 12/18/2015

Payee - Stanray Qualified Settlement Fund Trust

By: [Signature]
Signature
Title: Trustee
Date: 12/14/2015



National Indemnity Company

Ceding Company: Continental Casualty Company, as defined in the CNA Settlement Agreement

By: _____
Signature

Title: _____
Resolute Management Inc., as authorized representative

Date: _____

**Ceding Company:
Certain Underwriters at Lloyd's London, certain London Market Insurance Companies, as defined in the London Settlement Agreement**

By: _____
Signature

Title: _____
Resolute Management Inc., as authorized representative

Date: _____

NATIONAL INDEMNITY COMPANY

By: _____
Signature

Title: _____

Date: _____

Settling Claimant - Pepsi-Cola Metropolitan Bottling Company, Inc ("Metro")

By: W. S. Bierer
Signature

Title: Vice President

Date: 12/22/15

Settling Claimant - Pneumo Abex, LLC

Payee - Stanray Qualified Settlement Fund Trust

By: _____
Signature

By: _____
Signature

Title: _____

Title: _____

Date: _____

Date: _____



National Indemnity Company

SCHEDULE OF PAYMENTS

Payee: Stanray Qualified Settlement Fund Trust

Payment Date	Payment Amount	
01/1/2016	170,750.00	Certain Lump Sum
04/1/2016	170,750.00	Certain Lump Sum
07/1/2016	170,750.00	Certain Lump Sum
10/1/2016	170,750.00	Certain Lump Sum
01/1/2017	167,000.00	Certain Lump Sum
04/1/2017	167,000.00	Certain Lump Sum
07/1/2017	167,000.00	Certain Lump Sum
10/1/2017	167,000.00	Certain Lump Sum
01/1/2018	209,500.00	Certain Lump Sum
04/1/2018	209,500.00	Certain Lump Sum
07/1/2018	209,500.00	Certain Lump Sum
10/1/2018	209,500.00	Certain Lump Sum
01/1/2019	203,500.00	Certain Lump Sum
04/1/2019	203,500.00	Certain Lump Sum
07/1/2019	203,500.00	Certain Lump Sum
10/1/2019	203,500.00	Certain Lump Sum
01/1/2020	83,500.00	Certain Lump Sum
04/1/2020	83,500.00	Certain Lump Sum
07/1/2020	83,500.00	Certain Lump Sum
10/1/2020	83,500.00	Certain Lump Sum
01/1/2021	128,000.00	Certain Lump Sum
04/1/2021	128,000.00	Certain Lump Sum
07/1/2021	128,000.00	Certain Lump Sum
10/1/2021	128,000.00	Certain Lump Sum
01/1/2022	72,000.00	Certain Lump Sum
04/1/2022	72,000.00	Certain Lump Sum
07/1/2022	72,000.00	Certain Lump Sum
10/1/2022	72,000.00	Certain Lump Sum
01/1/2023	47,000.00	Certain Lump Sum
04/1/2023	47,000.00	Certain Lump Sum
07/1/2023	47,000.00	Certain Lump Sum
10/1/2023	47,000.00	Certain Lump Sum
Total	\$4,325,000.00	

INITIALS:

Ceding Companies:

[Handwritten initials] *[Handwritten initials]*

Reinsurer:

Settling Claimants:

[Handwritten initials] *[Handwritten initials]*

Payee:

[Handwritten initials]



National Indemnity Company

SCHEDULE OF PAYMENTS

Payee: Stairway Qualified Settlement Fund Trust

Payment Date	Payment Amount	
01/1/2016	170,750.00	Certain Lump Sum
04/1/2016	170,750.00	Certain Lump Sum
07/1/2016	170,750.00	Certain Lump Sum
10/1/2016	170,750.00	Certain Lump Sum
01/1/2017	167,000.00	Certain Lump Sum
04/1/2017	167,000.00	Certain Lump Sum
07/1/2017	167,000.00	Certain Lump Sum
10/1/2017	167,000.00	Certain Lump Sum
01/1/2018	200,500.00	Certain Lump Sum
04/1/2018	200,500.00	Certain Lump Sum
07/1/2018	200,500.00	Certain Lump Sum
10/1/2018	200,500.00	Certain Lump Sum
01/1/2019	203,500.00	Certain Lump Sum
04/1/2019	203,500.00	Certain Lump Sum
07/1/2019	203,500.00	Certain Lump Sum
10/1/2019	203,500.00	Certain Lump Sum
01/1/2020	83,500.00	Certain Lump Sum
04/1/2020	83,500.00	Certain Lump Sum
07/1/2020	83,500.00	Certain Lump Sum
10/1/2020	83,500.00	Certain Lump Sum
01/1/2021	120,000.00	Certain Lump Sum
04/1/2021	120,000.00	Certain Lump Sum
07/1/2021	120,000.00	Certain Lump Sum
10/1/2021	120,000.00	Certain Lump Sum
01/1/2022	72,000.00	Certain Lump Sum
04/1/2022	72,000.00	Certain Lump Sum
07/1/2022	72,000.00	Certain Lump Sum
10/1/2022	72,000.00	Certain Lump Sum
01/1/2023	47,000.00	Certain Lump Sum
04/1/2023	47,000.00	Certain Lump Sum
07/1/2023	47,000.00	Certain Lump Sum
10/1/2023	47,000.00	Certain Lump Sum
Total	\$4,325,000.00	

INITIALS:

Ceding Companies:

[Handwritten initials] [Handwritten initials]

Reinsurer:

[Handwritten initials] [Handwritten initials]

Selling Claimants:

Payee:

[Handwritten initials]

Exhibit B

(Amended Final Consent Decree,
2000)

Exhibit B

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA

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DEC 21 2000

CLERK OF DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

3
4 PEOPLE OF THE STATE OF CALIFORNIA
5 and
6 THE CITY OF WILLITS, CALIFORNIA

7 -Plaintiffs,

8 vs.

9 REMCO HYDRAULICS, INC, a California
10 Corporation; REMCO HYDRAULICS, INC., as
11 Debtor in Possession of The Bankrupt Estate of
12 Remco Hydraulics, Inc., a California
13 Corporation; M-C INDUSTRIES, Inc., a
14 California Corporation; M-C INDUSTRIES,
15 INC., a California Corporation as Debtor in
16 Possession of The Bankrupt Estate of M-C
17 Industries, Inc., a California Corporation;
18 PNEUMO ABEX CORPORATION, a
19 Delaware Corporation; and WHITMAN
20 CORPORATION, a Delaware Corporation.

21 -Defendants.

CASE NO. C96-0283 SI

(ILLSTON, J.)

**[PROPOSED] AMENDED FINAL
CONSENT DECREE, FINAL ORDER AND
FINAL JUDGMENT; AND ORDER
ESTABLISHING THE WILLITS
ENVIRONMENTAL REMEDIATION
TRUST**

**(Resolving All Claims Among and Between
All Parties)**

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1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA

3
4 PEOPLE OF THE STATE OF CALIFORNIA
5 and
6 THE CITY OF WILLITS, CALIFORNIA

7 Plaintiffs,

8 vs.

9 REMCO HYDRAULICS, INC, a California
10 Corporation; REMCO HYDRAULICS, INC., as
11 Debtor in Possession of the Bankrupt Estate of
12 Remco Hydraulics, Inc., a California
13 Corporation; M-C INDUSTRIES, Inc., a
14 California Corporation; M-C INDUSTRIES,
15 INC., a California Corporation as Debtor in
16 Possession of the Bankrupt Estate of M-C
17 Industries, Inc., a California Corporation;
18 PNEUMO ABEX CORPORATION, a
19 Delaware Corporation; and, WHITMAN
20 CORPORATION, a Delaware Corporation.

21 Defendants.

CASE NO. C96-0283 SI

(ILLSTON, J.)

**[PROPOSED] AMENDED FINAL
CONSENT DECREE, FINAL ORDER AND
FINAL JUDGMENT; AND ORDER
ESTABLISHING THE WILLITS
ENVIRONMENTAL REMEDIATION
TRUST**

**(Resolving All Claims Among and Between
All Parties)**

22 RECITALS

23 WHEREAS, Abex Corporation, a dissolved Delaware corporation, the predecessor of
24 defendant Pneumo Abex Corporation (collectively "Pneumo Abex"), owned and operated a heavy-
25 duty hydraulic and pneumatic actuator manufacturing plant at 934 South Main Street wholly within
26 the City of Willits, California from 1977 through December 1988 (the "Site"); and,

27 WHEREAS, Remco Hydraulics, Inc., a California corporation, a wholly owned subsidiary of
28 M-C Industries, Inc., a California corporation ("Remco"), currently owns and formerly operated the
Site and commenced ownership and operation on or about December 1988; and,

WHEREAS, Whitman Corporation ("Whitman"), a Delaware corporation, formerly known
as IC Industries, Inc., is the legal successor by statutory short-form merger to Stanray Corporation
("Stanray"), formerly a Delaware corporation, which owned and operated the Site from 1968
through 1977; and

///

1 **WHEREAS**, Stanray, Abex, Pneumo Abex and Remco utilized the **Site** for the manufacture
2 of machined items and heavy duty, high precision hydraulic and pneumatic actuators for various
3 applications, including highway construction equipment, offshore drilling operations, tunneling
4 equipment, steering mechanisms for attack class nuclear submarines and a wide range of other
5 military and civilian applications; and,

6 **WHEREAS**, the manufacturing processes undertaken at the **Site** have included extensive
7 metal machining, treating and coating, the use of significant quantities of plating and cleaning
8 chemicals, including chromic acid, chlorinated solvents, and other materials which are highly
9 regulated pursuant to federal and state law as hazardous materials; and,

10 **WHEREAS**, on or about August 1991, Remco notified the United States Environmental
11 Protection Agency, Region IX, the State of California Regional Water Quality Control Board - North
12 Coast Region, the California Department of Health, and the Mendocino County Department of
13 Environmental Health that abnormally high levels of organic halogens were detected in both storm
14 water runoff and groundwater at and emanating from the **Site**; and,

15 **WHEREAS**, on or about August 1991, soil and groundwater sampling at the **Site** confirmed
16 levels of Chromic Acid, 1,1-Dichloroethane, 1,2-Dichloroethane, 1,1-Dichloroethene,
17 Tetrachloroethene, 1,1,1-Trichloroethane and Trichloroethene in soil and groundwater at the **Site**,
18 which exceeded standards established by the United States and the State of California; and,

19 **WHEREAS**, through preliminary investigative activities, the presence of various solid
20 wastes and hazardous wastes regulated pursuant to the Solid Waste Disposal Act, as amended by the
21 Resource Conservation and Recovery Act of 1976, as further amended by the Hazardous and Solid
22 Waste Amendments of 1984 and further amended by the Asset Conservation, Lender Liability and
23 Deposit Insurance Protection Act of 1996, 42 U.S.C. §§ 6901 - 6992k ("RCRA"), including
24 hazardous wastes regulated pursuant to Subtitle C of RCRA including, without limitation, Chromic
25 Acid, 1,1-Dichloroethane, 1,2-Dichloroethane, 1,1-Dichloroethene, Tetrachloroethene, 1,1,1-
26 Trichloroethane and Trichloroethene were detected in the soil and groundwater at and in the vicinity
27 of the **Site**; and,

28 **WHEREAS**, the RCRA solid waste and hazardous waste and hazardous waste listed and

1 identified by the Administrator pursuant to RCRA § 3001, 42 U.S.C. § 6921, present at and in the
2 vicinity of the **Site** may present an imminent and substantial endangerment to health or the
3 environment in that these substances may become airborne and therefore may be susceptible to
4 inhalation by the public, may become attached to the soils and therefore may be susceptible to
5 ingestion by the public, and may continue to migrate through soil, surface water and groundwater at
6 and in the vicinity of the **Site**, thereby potentially degrading and threatening to potentially degrade
7 the quality and potential beneficial use of such soil, surface water and groundwater; and,

8 **WHEREAS**, the People of the State of California and the City of Willits, California
9 (collectively "The People") brought the instant action to require Whitman (both directly and as
10 successor to Stanray), Pneumo Abex (as successor to Abex) and Remco to immediately address any
11 imminent and substantial endangerment pursuant to RCRA § 7002(a); to abate a public nuisance
12 pursuant to California Code of Civil Procedure § 731; and, to address and appropriately abate any
13 and all violations of applicable laws, rules and ordinances; and,

14 **WHEREAS**, the presence of various RCRA solid wastes and hazardous wastes and
15 hazardous waste listed and identified by the Administrator pursuant to RCRA § 3001, 42 U.S.C. §
16 6921, including but not limited to, Chromic Acid, 1,1-Dichloroethane, 1,2-Dichloroethane, 1,1-
17 Dichloroethene, Hexavalent Chromium, Tetrachloroethene, 1,1,1-Trichloroethane and
18 Trichloroethene which were detected in the soil and groundwater at and in the vicinity of the **Site**, is
19 the result of numerous events, operations and accidents which happened at the **Site** beginning in at
20 least 1960; and,

21 **WHEREAS**, The People originally alleged that Stanray, Remco and Pneumo Abex
22 accidentally or intentionally disposed of hazardous wastes at the **Site** without a permit in violation of
23 RCRA Section 6925(a), 42 U.S.C. § 6925(a), and California Code of Regulations Title 22, Section
24 66270(1)(b) and without a valid generator identification number in violation of 40 C.F.R. §262.12(a)
25 and California Code of Regulations, Title 22 § 66262.12; and,

26 **WHEREAS**, The People originally alleged that the intentional or accidental acts of Stanray,
27 Remco and Pneumo Abex have caused or contributed to an imminent and substantial endangerment
28 to health and the environment and caused or contributed to the creation and maintenance of a

1 nuisance at the **Site**; and,

2 **WHEREAS**, Whitman, Remco and Pneumo Abex contended that the creation of any alleged
3 nuisance and any alleged damage to the property and natural resources of the State of California
4 including, without limitation, the groundwater, was not the intended objective of the operations of
5 the **Site**, that any such nuisance, property damage, or injury arose, if at all, from negligent,
6 unintentional, or unauthorized acts or accidents or simple negligence and that neither Stanray,
7 Whitman nor Pneumo Abex intentionally violated RCRA Section 6925(a), 42 U.S.C. § 6925(a),
8 California Code of Regulations Title 22, Section 66270(1)(b), 40 C.F.R. §262.12(a) or California
9 Code of Regulations, Title 22 § 66262.12; and,

10 **WHEREAS**, the **Settling Parties** have exchanged extensive information concerning the **Site**
11 and the manufacturing operations, conducted full and significant discovery pursuant to the Federal
12 Rules of Civil Procedure and the People have undertaken a full and independent investigation of the
13 operations of the **Site**; and,

14 **WHEREAS**, following extensive and complete discovery and independent investigation by
15 **Plaintiffs, Plaintiffs** have not documented or discovered any corroborated evidence of authorized
16 actions, acts or conduct to support **Plaintiffs'** claims and allegations that intentional acts of Stanray,
17 Abex, and Defendants Whitman or Pneumo Abex that caused or contributed to the presence of
18 **Hazardous Substances** in, at, around and emanating from the **Site** or any imminent and substantial
19 endangerment to health or the environment or conditions constituting a nuisance that may exist at the
20 **Site**; and,

21 **WHEREAS**, **Plaintiffs** tendered to, and demanded payment by, the **Remedial Defendants**
22 of in excess of Nine Hundred and Seventy Thousand Dollars (\$970,000.00) of litigation costs,
23 including attorneys fees and costs and expert witness fees and costs; and,

24 **WHEREAS**, the **Remedial Defendants** disputed the amount, reasonableness and propriety
25 of the **Plaintiffs** tendered litigation costs; and,

26 **WHEREAS**, after the **Settling Parties** finalized their agreement in principal to resolve the
27 Settling Defendants' alleged liability, **Plaintiffs, Remedial Defendants** and Travelers Insurance
28 Company reached settlement, a copy of which is attached hereto and incorporated herein at

1 Appendix E, concerning the insurance policies issued by Travelers Insurance Company to Stanray
2 Corporation identified in Section VII.D. of this Consent Decree; and,

3 **WHEREAS**, the settlement between **Plaintiffs, Remedial Defendants** and Travelers
4 Insurance Company recovered the full insuring limits of the policies and additional sums for defense
5 costs under those policies and that recovery shall be disposed in accordance with the terms and
6 conditions of this Consent Decree; and,

7 **WHEREAS**, the **Settling Parties** desire to determine and fully, completely and finally
8 resolve, satisfy, extinguish and settle any and all of the alleged liability (including Plaintiffs' claims
9 for litigation costs) of, Stanray, Abex, and Defendants Whitman, Pneumo Abex and Remco arising
10 from the **Site**; and,

11 **WHEREAS**, Whitman, Pneumo Abex, Remco and the People desire that the Court establish
12 a settlement fund to be maintained and operated so as to qualify as either a "Designated Settlement
13 Fund" or a "Qualified Settlement Fund" pursuant to Section 468B of the Internal Revenue Code, 26
14 U.S.C. § 468B and the regulations promulgated pursuant thereto and codified at 26 C.F.R. § 1.468B;
15 and,

16 **WHEREAS**, Whitman, Pneumo Abex, Remco and the People desire that the Court establish
17 a settlement fund to fully, completely and finally resolve, satisfy and extinguish present and future
18 claims between and amongst the **Settling Parties**, achieve the goals and purposes of this Consent
19 Decree; and,

20 **WHEREAS**, Whitman, Pneumo Abex, Remco and the People desire that the Court establish
21 a settlement fund to, without limitation, perform the **Work** required pursuant the Consent Decree to
22 address and appropriately abate the adverse environmental conditions in, at, around and emanating
23 from the **Site**, administer the **Work** through a Court appointed trustee which shall remain under the
24 jurisdiction of this Court and be held accountable to the Court, and protect, preserve and invest the
25 corpus of the fund to achieve the purposes of this Consent Decree and the Orders of the Court that
26 may be issued pursuant to it; and,

27 **WHEREAS**, the Parties to this Consent Decree now desire to settle the disputes between
28 them.;

1 C. The term "**Corpus of the Willits Trust**" shall mean all amounts, claims, causes of action,
2 choses in action, things in action, rights, or property of whatever nature, as well as any interest earned
3 or accrued thereon or income derived therefrom, which now or hereafter shall be deposited with, or
4 otherwise accrue to or be acquired by, the **Willits Trust**.

5 D. The term "**Document Depository**" shall mean the document depository established by the
6 **Settling Parties** and maintained by the **Willits Trust** at the Mendocino County Public Library - Willits
7 Branch in this case, *People of the State of California and City of Willits v. Remco Hydraulics, Inc., et*
8 *al.*, Case No. C-96-0283 (N.D.Cal.).

9 E. The term "**Force Majeure**" shall mean any event arising from causes beyond the control of
10 one or more of the **Settling Parties** or the **Willits Trust** asserting the **Force Majeure** provision which
11 unavoidably delays or prevents the performance of any obligation under this Consent Decree
12 notwithstanding such **Settling Parties'** or the **Willits Trust's** good faith efforts to avoid the delay.
13 Economic hardship, increased cost of performance, or the failure of the **Settling Parties** or the **Willits**
14 **Trust** to make timely application for any reasonably required permits or approvals, or failure to provide
15 all reasonably anticipated information required therefor, in a timely manner shall not be considered
16 events beyond the control of the **Settling Parties** or the **Willits Trust** unless otherwise agreed to by
17 **Plaintiffs** to constitute a **Force Majeure**.

18 F. The term "**Hazardous Substances**" shall have the same meaning as set forth in CERCLA
19 Section 101(14), 42 U.S.C. § 9601(14), including, without limitation, Chronic Acid,
20 1,1-Dichloroethane, 1,2-Dichloroethane, 1,1-Dichloroethene, Hexavalent Chromium, Tetrachloroethene,
21 1,1,1-Trichloroethane and Trichloroethene and other hazardous substances or hazardous wastes which
22 are, or may be discovered, at or emanating from the **Site** and which may require investigation or
23 remediation to protect public health, welfare or the environment.

24 G. The term "**Lead Public Agency**" shall mean the City of Willits Department of Public
25 Works, the principal office of which is located in Willits, California.

26 H. The term "**National Contingency Plan**" or "**NCP**" shall mean the National Oil and
27 Hazardous Substances Pollution Contingency Plan promulgated by the United States Environmental
28 Protection Agency and codified at 40 C.F.R., Part 300, in accordance with **CERCLA** § 105, 42 U.S.C.

1 § 9605, as the same may be amended or repromulgated from time to time.

2 I. The term "**Natural Resource Reserve**" shall mean that portion of the **Corpus of the Willits**
3 **Trust** identified and described in Section VI.C.3. of this Consent Decree.

4 J. The term "**Notice of Additional Qualified Payment**" shall mean the notice(s) which may
5 be issued by the **Trustee** of the **Willits Trust** to Defendants Whitman and Pneumo Abex for further
6 payments into the **Willits Trust** pursuant to the terms and conditions set forth in Section VI.B. of this
7 Consent Decree.

8 K. The term "**Medical Monitoring Reserve**" shall mean that portion of the **Corpus of the**
9 **Willits Trust** reserved for use pursuant to the terms and conditions set forth in Section VI.C.1. of this
10 Consent Decree.

11 L. The term "**Plaintiffs**" shall mean the People of the State of California and the City of Willits,
12 California including the City of Willits Department of Public Works.

13 M. The term "**Proposed Remedial Action Plan**" shall mean the plan to address the adverse
14 environmental conditions in, at, around and emanating from the **Site** that the **Willits Trust** shall prepare
15 pursuant to the terms and conditions set forth in Section XII of this Consent Decree.

16 N. The term "**RCRA**" shall mean the Solid Waste Disposal Act, as amended by the Resource
17 Conservation and Recovery Act of 1976, as further amended by the Hazardous and Solid Waste
18 Amendments of 1984, 42 U.S.C. §§ 6901 - 6992k, and as further amended by the Asset Conservation,
19 Lender Liability, and Deposit Insurance Protection Act of 1996.

20 O. The term "**Remedial Action Plan**" or "**RAP**" shall mean the plan the **Willits Trust** shall
21 prepare pursuant to the terms and conditions set forth in Section XIII of this Consent Decree and in
22 compliance with the **NCP** and shall also mean any interim plan for **Removal** or **Remedial Action**
23 proposed by the **Plaintiffs** and the **Lead Public Agency** and selected by the **Willits Trust** pursuant to
24 the terms and conditions set forth in Section XIII of this Consent Decree and as may be altered or
25 amended after notice and opportunity to comment by the public, the **Plaintiffs** and the **Lead Public**
26 **Agency** and final resolution of related dispute resolution, if any. The term shall also include the final
27 plan for remediation of the property damage caused by the presence of **Hazardous Substances** at and
28 in the vicinity of the **Site** selected by the **Willits Trust** pursuant to the terms and conditions of Section

1 XIII of this Consent Decree, specifically including any requirements for post-remediation monitoring
2 and reporting and any contingent remedial actions which may be set forth in the **RAP**, as the same may
3 be altered or amended after notice and opportunity to comment or by further Order of this Court pursuant
4 to the dispute resolution provisions set forth in Section XXIII of this Consent Decree.

5 P. The term "**Remedial Defendants**" shall mean defendants Whitman Corporation and Pneumo
6 Abex Corporation and shall specifically exclude, in every regard, defendants Remco Hydraulics, Inc.
7 and M-C Industries, Inc.

8 Q. The term "**Removal**" and "**Remedial Action**" shall have the meanings set forth in Section
9 101(23) and (24) of **CERCLA**, 42 U.S.C. § 9601(23) and (24).

10 R. The term "**Settling Defendants**" shall mean Pneumo Abex Corporation, Remco Hydraulics,
11 Inc., M-C Industries, Inc. and Whitman Corporation and all their predecessors in interest, and current
12 or former subsidiaries, parents, affiliates, officers, directors, employees, agents or any other person
13 which executes this Consent Decree to resolve its liability to **Plaintiffs** or defendants.

14 S. The term "**Settling Parties**" shall mean the **Plaintiffs**, Pneumo Abex Corporation, Remco
15 Hydraulics, Inc., M-C Industries, Inc. and Whitman Corporation and any other **Settling Defendant**.

16 T. The term "**Site**" shall mean the former Remco Hydraulics, Inc. manufacturing facility located
17 at 934 Main Street, City of Willits, California and the surrounding area where **Hazardous Substances**
18 released at or from that facility have or may come to be located, or threaten to be released.

19 U. The term "**Site Project Manager**" shall mean the geohydrologic expert or experts appointed
20 by the **Willits Trust**, pursuant to the terms and conditions set forth in Section IX of this Consent Decree,
21 with full authority to act as the representative of the **Willits Trust** for all technical aspects of the **Work**.

22 V. The term "**Site Monitor**" shall mean the geohydrologic expert or experts appointed by the
23 **Plaintiffs**, pursuant to the terms and conditions set forth in Section IX of this Consent Decree, with full
24 authority to act as the representative of the **Plaintiffs** for all technical aspects of the **Work**.

25 W. The term "**Sole Cost**," in reference to the **Willits Trust**, shall mean at the exclusive expense
26 of, and as a liability solely against those sums which are available or become available as the **Corpus**
27 **of the Willits Trust** and each such obligation to pay shall be limited to the amounts available as **Corpus**
28 **of the Willits Trust** as that term is defined herein. Moreover, nothing in this Consent Decree shall be

1 construed or implied to impose liability on the personal assets of the **Trustee** other than such obligations
2 that may arise under prevailing trust law for breach of fiduciary duty. In no instance shall this Consent
3 Decree create any obligation on either the **Willits Trust** or any of its **Trustee(s)** to pay any amounts in
4 excess of the amounts available to the **Willits Trust** as provided herein.

5 X. The term "**Trust Declaration**" shall mean the Declaration and Agreement of Trust for the
6 Willits Environmental Remediation Trust attached at Appendix A hereto and incorporated herein by
7 reference.

8 Y. The term "**Trustee**" shall mean the person or entity designated as trustee of the **Willits**
9 **Trust**, in accordance with the **Trust Declaration**.

10 Z. The term "**Willits Environmental Remediation Trust**" (hereinafter "**Willits Trust**") shall
11 mean that certain trust established by this Consent Decree and Order of Court and the **Trust Declaration**
12 that is intended by the Parties and ordered by the Court to be established, maintained, and operated so
13 as to qualify as either a "Designated Settlement Fund" or "Qualified Settlement Fund" pursuant to
14 Section 468B of the Internal Revenue Code, 26 U.S.C. § 468B, and the regulations promulgated
15 pursuant thereto by the United States Treasury Department and codified at 26 C.F.R. § 1.468B.

16 AA. The term "**Work**" shall mean all activities prescribed by, or required to be performed
17 pursuant to: (a) this Consent Decree, non-exclusively including all response actions necessary to
18 develop and implement a **NCP-compliant RAP** that fully characterizes the lateral and vertical extent of
19 the **Hazardous Substances** at and emanating from the **Site** and which results in a **NCP-compliant RAP**
20 which fully and appropriately abates any endangerment to health or the environment resulting from the
21 **Hazardous Substances** at and emanating from the **Site**; (b) any agreement between the **Settling Parties**
22 and the **Willits Trust** relating to or arising out of the **Hazardous Substances** at and in the vicinity of
23 the **Site** or this Consent Decree that does not conflict with, burden or impede any of the requirements
24 or objectives of this Consent Decree or any Orders issued pursuant to it; and, (c) any Order issued
25 pursuant to the dispute resolution process set forth in Sections XXII and XXIII of this Consent Decree.

26 **IV**
27 **DECLARATION OF GOALS AND PURPOSES**

28 A. Performance of Work. For purposes of effectuating and interpreting this Consent Decree,
the **Settling Parties** agree and the Court hereby finds, orders, adjudges and decrees that this Consent

1 Decree, including the **Trust Declaration**, the **RAP** and all other plans and schedules adopted pursuant
2 to it, is intended to, and shall be construed to, require the **Willits Trust** to completely, timely and cost-
3 effectively perform the **Work** in good faith and consistent with all applicable requirements of state or
4 local law which are not inconsistent with the requirements of the **NCP** or this Consent Decree, including
5 any post-remediation monitoring and reporting and any contingent remedial actions which may be
6 determined to be necessary as set forth in the **RAP**, and shall require the **Settling Defendants** to initially
7 fund the **Willits Trust** and further require **Remedial Defendants** to make such further transfers, if any,
8 into the **Willits Trust** as may be required in accordance with the terms and conditions set forth in
9 Sections VI and VIII of this Consent Decree to fulfill the goals and purposes of this Consent Decree and
10 any Orders which may be issued pursuant to it.

11 B. Section 468B Settlement Fund The **Settling Parties** agree and the Court hereby finds,
12 orders, adjudges and decrees that the settlement fund established pursuant to Section V of this Consent
13 Decree is established, and shall be maintained and operated so as to qualify as either a "Designated
14 Settlement Fund" or "Qualified Settlement Fund" pursuant to Section 468B of the Internal Revenue
15 Code, 26 U.S.C. § 468B, and the regulations promulgated pursuant thereto and codified at 26 C.F.R.
16 §1.468B, to: (i) completely resolve, satisfy and extinguish the respective liability of the **Settling**
17 **Defendants** arising from property damage and violations of federal and state law relating to the
18 abatement of the adverse environmental conditions relating to the **Hazardous Substances** released into
19 the environment in, at, around and emanating from the **Site**; (ii) perform the **Work** required under this
20 Consent Decree, any such further Orders issued by this Court pursuant to the dispute resolution
21 provisions set forth in Sections XXII and XXIII of this Consent Decree, or any such other Order that this
22 Court may issue in this matter; (iii) pursue any and all claims, whether direct or assigned, belonging to
23 or assertable by the **Willits Trust** including, without limitation, claims for recovery of response or
24 abatement costs, insurance coverage, or for partial or complete equitable or contractual indemnity, or
25 contribution; and, (iv) provide for an independent third party with the requisite experience and skills to
26 timely, cost-effectively and competently administer and perform the **Work** required by this Consent
27 Decree.

28 ///

V
ESTABLISHMENT OF THE
WILLITS ENVIRONMENTAL REMEDIATION TRUST

1
2
3 A. Establishment of the Trust. The Court hereby finds, orders, adjudges and decrees that
4 a settlement fund should be, and hereby is, established, and shall be operated hereunder, so as to qualify
5 either as a "Designated Settlement Fund" or "Qualified Settlement Fund" pursuant to Section 468B of
6 the Internal Revenue Code, 26 U.S.C. § 468B, and the regulations promulgated pursuant thereto and
7 codified at 26 C.F.R. § 1.468B and in accordance with the terms and conditions of the **Trust**
8 **Declaration** attached hereto as Appendix A and fully incorporated herein by reference. The Court
9 hereby finds, orders, adjudges and decrees that the **Willits Trust** established by this Consent Decree is
10 established for the principal purpose of completely and finally resolving, satisfying and extinguishing
11 present and future claims against the **Settling Defendants** arising out of alleged property damage, public
12 and private nuisance, natural resource damage and violations of law relating to and arising from the
13 release and threatened release into the environment of, and resulting potential endangerments to health
14 and the environment caused by, **Hazardous Substances** in, at, around and emanating from the **Site** by
15 competently and timely performing the **Work** required pursuant to this Consent Decree to address and
16 fully and appropriately resolve any alleged endangerments to human health or the environment which
17 are the subject of the claims asserted herein by the **Plaintiffs**.

18 B. Appointment of Trustee. The **Settling Parties** agree and the Court hereby designates and
19 appoints Anne M. Farr, Ph.D. as **Trustee** of the **Willits Trust**.

20 C. Powers of the Trust. The **Trustee** of the **Willits Trust** shall have the powers set forth
21 in the **Trust Declaration** including, without limitation, all of the power necessary to effectuate the goals
22 and purposes of this Consent Decree and the **Trust Declaration** including, without limitation:

23 (1) to timely, cost-effectively and competently perform the **Work** required pursuant to
24 this Consent Decree;

25 (2) to prosecute, pursue, resolve, compromise or settle the **Willits Trust's** rights, claims,
26 things in action, causes of action and choses in action and the rights, claims, things in action, causes of
27 action and choses in action transferred into the **Willits Trust** by any **Settling Party** or by any other
28 person;

1 (3) to contract with third parties to effectuate the purposes of the **Willits Trust** or
2 perform the **Work**, including, without limitation, for legal, technical and administrative assistance, and
3 to incur debt and loan monies;

4 (4) to preserve, protect, manage, invest and grow the **Corpus of the Willits Trust**; and,

5 (5) to encumber, sell, mortgage, dispose, convey, gift or assign any of its property, real,
6 personal, intangible or otherwise, as necessary to effectuate the purposes of the **Willits Trust**.

7 D. Continuing Jurisdiction of the Court. The **Willits Trust** shall remain under the
8 jurisdiction and power of the Court until such time as the Court, on noticed motion by the **Willits Trust**,
9 any **Settling Party**, or the Court *sua sponte*, determines that the purposes and goals of this Consent
10 Decree and the **Trust Declaration** are fully and completely effectuated.

11 E. Default Classification of Trust. If, contrary to the express terms and intent of this Consent
12 Decree and subject to the provisions of Section V.A. of this Consent Decree, the **Willits Trust** does not
13 meet the requirements of Section 468B of the Internal Revenue Code, 26 U.S.C. § 468B, then the **Willits**
14 **Trust** shall be deemed, organized and function in all respects as a grantor trust and shall fulfill the
15 purposes of this Consent Decree and the **Trust Declaration**. If approval of the Commissioner of the
16 Internal Revenue Service is required, the failure of the Commissioner to approve the **Willits Trust** as
17 meeting the requirements of Section 468B of the Internal Revenue Code, 26 U.S.C. §468B, shall be
18 forthwith reported to the Court by the **Willits Trust**, but shall not effect in any way the obligations of
19 the **Settling Parties** or the validity or authority of the **Willits Trust** hereunder.

20 VI
21 **OBLIGATIONS OF THE WILLITS TRUST**

22 A. General.

23 1. Trust Obligations. The **Settling Parties** agree and the Court hereby finds, orders,
24 adjudges and decrees that pursuant to the obligations and powers conferred by the **Trust Declaration**,
25 the **Willits Trust** shall protect, preserve, manage, invest and administer the **Corpus of the Willits Trust**
26 so that the **Willits Trust** can, at its **Sole Cost**, fully, completely, cost-effectively and timely perform the
27 **Work**, non-exclusively including constructing, operating, and maintaining any interim **Removal** or
28 **Remedial Action(s)** and the final remedy and implementing all requirements of this Consent Decree in
all respects in full compliance with this Consent Decree, the **NCP** and any Orders issued by this Court

1 and diligently pursue any and all claims transferred to the **Willits Trust** by the **Settling Defendants**
2 pursuant to Section VIII of this Consent Decree, in the manner the **Trustee**, in its sole discretion, deems
3 appropriate.

4 2. Willits Trust Compliance with Laws. The **Willits Trust** shall, at its **Sole Cost**,
5 undertake all actions necessary to assure that the operations of the **Willits Trust** and the **Work** comply
6 with any and all applicable federal law, rule, regulation, Order of this Court or any valid and applicable
7 state, or local requirements.

8 3. Compliance with Obligations Imposed on Settling Parties. The **Willits Trust**
9 shall, at its **Sole Cost**, undertake all actions necessary to assure that the operations of the **Willits Trust**
10 and the **Work** comply with any and all applicable federal law, rule, regulation, Order of this Court or
11 any valid and applicable state, or local requirements, imposed by law, regulation, or valid administrative
12 or judicial order upon any **Settling Party**, which does not conflict with, unnecessarily interfere with,
13 unduly impair, impede or burden the accomplishment of the requirements of the **NCP**, any Order of this
14 Court entered herein, the **Work**, or this Consent Decree, and which relates to or arises from the
15 **Hazardous Substances** in, at, around and emanating from the **Site**. In the event any administrative or
16 judicial action or order is instituted against or is issued to a **Settling Party** regarding the environmental
17 conditions in, at, around and emanating from the **Site**, the **Settling Party** shall promptly notify the
18 **Willits Trust**. Thereafter to the extent that the **Willits Trust** or any **Settling Party** believes that the
19 required actions are preempted by the terms, conditions and obligations of this Consent Decree, then in
20 addition to any other relief available concerning compliance with the judicial or administrative order or
21 proceeding, the **Willits Trust** or the **Settling Party** may, by noticed motion served on the person(s) or
22 entity (ies) that are seeking the relief against the **Willits Trust** or any **Settling Party**, petition the Court
23 for determination that such judicial or administrative order is preempted. If a **Settling Party** fails to
24 timely notify the **Willits Trust** of the commencement of any such administrative or judicial proceedings,
25 notwithstanding this Section VI.A.3. or any other provision of this Consent Decree, the **Willits Trust**
26 shall not be obligated to comply with any resulting administrative or judicial order issued to the **Settling**
27 **Party**.

28 4. Indemnification of Settling Parties. The **Willits Trust** shall indemnify and hold

1 harmless any **Settling Party** from and against any cost, expense or liability arising from, or related to,
2 the investigation and remediation of the **Hazardous Substances** in, at, around and emanating from the
3 **Site**, non-exclusively including the **Work**. In addition, the **Willits Trust** shall defend the **Plaintiffs**
4 against any future third party claims, and the **Willits Trust** shall control such defense.

5 5. Administration of the Corpus. The initial **Corpus of the Willits Trust** and all
6 subsequent **Additional Qualified Payments** or other transfers of property to the **Willits Trust** by any
7 person shall be administered in accordance with the provisions of the **Trust Declaration** and this
8 Consent Decree.

9 6. Annual Report Annually on or before the first day of March, the **Willits Trust**
10 shall prepare and file with the Court a report detailing the status of its efforts to perform its obligations
11 under this Consent Decree and any subsequent Orders of this Court herein.

12 7. Cooperation. The **Willits Trust** shall cooperate with the **Plaintiffs** and the
13 **Settling Defendants** in the prosecution of all claims arising from or related to this Consent Decree or
14 the environmental conditions at or emanating from the **Site**, including, but not limited to, the production
15 of all documents and records and the provision of any testimony as may be necessary. Upon written
16 request of **Plaintiffs**, the **Willits Trust** shall, at its **Sole Cost**, provide legal counsel, competent and
17 experienced in the prosecution of claims for insurance coverage arising out of property damage related
18 to environmental injuries, to the **Plaintiffs** to assist in the execution and recovery of the judgment
19 awarded in Section VII of this Consent Decree.

20 8. Trustee Operational Insurance. The **Settling Parties** agree and the Court hereby
21 finds, orders, adjudges and decrees that the **Willits Trust** shall, until termination of this Consent Decree,
22 maintain insurance bearing the following limits of liability:

23	1. Workers Compensation	Statutory with first dollar coverage
24	2. Employers Liability	\$5,000,000
25	3. Comprehensive General Liability, 26 including Contractual Liability	\$8,000,000 CSL
27	4. Excess Insurance, including Personal 28 Injury and Bodily Damage	\$10,000,000
	5. Automobile Liability, including Bodily Injury and Property Damage	\$5,000,000 CSL

1	6.	Errors & Omissions Insurance	\$8,000,000
2	7.	First Party Environmental Impairment Insurance	\$15,000,000
3	8.	Trustee and Fiduciary Insurance	\$8,000,000

4 The **Trustee** of the **Willits Trust** shall review and, if necessary, adjust the coverage amounts at least
5 every three (3) years to ensure adequate protection of the **Corpus of the Willits Trust** for the risks
6 attendant to the **Work** projected to be undertaken during the following three (3) year period (as
7 contrasted with the risks relating solely to the existing risks which are the subject of this action). The
8 **Trustee** of the **Willits Trust**, in its sole discretion, may further review the adequacy of these insurance
9 requirements on an annual basis to adjust, if necessary, the coverage amounts to ensure adequate
10 protection for the estimated risks attendant to the **Work** projected to be undertaken during the following
11 twelve (12) month period. To assist in either review process, the **Trustee** may have its existing
12 insurance coverage reviewed by a qualified independent third party to recommend the level and nature
13 of any adjustments. Upon review of the adequacy of these insurance requirements, the **Trustee** may
14 adjust insurance coverage to levels either greater or less than the limits set forth in this Section VI.A.8.
15 The **Willits Trust** shall place any or all of the insurance required by this Section VI.A.8. as soon as the
16 **Trustee**, in its sole discretion, determines it to be practicable. Pursuant to and in accordance with
17 Section IX.G. of this Consent Decree, the **Trustee** may, in its sole discretion, utilize Alternative Risk
18 Management techniques for placement of the insurance required in this Section.

19
20 9. Scope of First Party Insurance. The First Party Environmental Impairment
21 Insurance required by Section VI.A.8. of this Consent Decree shall provide casualty coverage to the
22 **Willits Trust** for any injury, damage, destruction, loss of use or injury to the **Site** and the structures and
23 easements located on it as a result of any incremental environmental impairment caused either by the
24 **Work** required pursuant to this Consent Decree, or by the acts or omissions of third parties.

25 10. Scope of Excess Insurance. The **Willits Trust** shall also maintain during the life of
26 the **Willits Trust**, through and including termination of the Tail Period, excess insurance in an amount
27 required pursuant to Section VI.A.8, to cover the risk of potential personal injury or bodily damage
28 claims arising from the performance of the **Work** or the incremental damage which may result from the
Work.

1 11. Priority Activities. The **Willits Trust** shall perform the Interim Remedial
2 Action required pursuant to Section XIII.A. of this Consent Decree and shall prepare the Work Plan
3 required pursuant to Section XII of this Consent Decree on a first priority basis subject to the
4 availability and sufficiency of the **Corpus of the Willits Trust**.

5 B. Continuing Funding.

6 1. Notice of Additional Qualified Payment. Subject to Section VI.B.4. of this Consent
7 Decree, if at any time the **Trustee** of the **Willits Trust** reasonably determines that the amount of assets
8 available as the **Corpus of the Willits Trust** will be inadequate to pay the amounts reasonably
9 calculated to become due and owing during the following twelve (12) months to perform in a cost-
10 effective, timely and efficient manner the obligations imposed upon the **Willits Trust** hereunder and
11 under the **Trust Declaration**, including without limitation operations of the **Willits Trust** and **Trustee**
12 compensation, the **Willits Trust** shall prepare and tender to the **Remedial Defendants** a **Notice of**
13 **Additional Qualified Payment**. Such notice shall set forth in writing the additional amounts required
14 for the **Willits Trust** to meet its obligations during the designated twelve (12) month period. The
15 **Trustee's** analysis concerning the adequacy of the **Corpus of the Willits Trust** shall not include the
16 **Medical Monitoring Reserve, Closure Reserve**, and the principal amount of the **Natural Resource**
17 **Reserve** established and maintained pursuant to Section VI.C. of this Consent Decree. On or before the
18 twentieth (20th) calendar day following service of the **Notice of Additional Qualified Payment**,
19 **Remedial Defendants**, subject to the provisions of Section VI.B.4., shall either: (1) pay the entire
20 amount set forth in the **Notice of Additional Qualified Payment**, or, in the event the **Notice of**
21 **Additional Qualified Payment** requires one or more sum certain payments at a future date,
22 unconditionally commit in writing to timely pay such sums; or (2) commence and diligently pursue
23 dispute resolution concerning the **Notice of Additional Qualified Payment** in accordance with
24 Sections VI.B.2 and VI.B.3 of this Consent Decree. Any Interim Funding Loans made during the
25 Interim Funding Period pursuant to Section VI.B.4 of this Consent Decree shall not constitute payment
26 of the amount set forth in a **Notice of Additional Qualified Payment**. If **Remedial Defendants**, or
27 either of them, fail to comply with the requirements set forth in the **Notice of Additional Qualified**
28 **Payment** in full or to timely institute and diligently pursue dispute resolution in accordance with

1 Sections VI.B.2 and VI.B.3 of this Consent Decree, the amount(s) set forth in the **Notice of Additional**
2 **Qualified Payment** shall become immediately due and owing in full on the date(s) set forth in the
3 **Notice of Additional Qualified Payment**. If the **Remedial Defendants** fail to comply with the
4 requirements set forth in the **Notice of Additional Qualified Payment** within five (5) days thereafter,
5 the **Willits Trust** shall be entitled to petition the Court by noticed motion, served upon the **Settling**
6 **Parties**, for issuance of lump-sum judgment in the sum(s) certain set forth in the **Notice of Additional**
7 **Qualified Payment**. The **Remedial Defendants** shall file their objections, if any, to the request for
8 lump-sum judgment within five (5) days following service of the petition. No extension of this period
9 shall be granted unless consented to in writing by the **Willits Trust**. The only defenses allowed to such
10 petition shall be: (1) that **Remedial Defendants** complied with the requirements of the **Notice of**
11 **Additional Qualified Payment**; (2) that **Remedial Defendants** timely instituted and are diligently and
12 timely pursuing dispute resolution in accordance with Sections VI.B.2 and VI.B.3 of this Consent
13 Decree; or (3) that the **Remedial Defendants** were not properly served with the required notice of the
14 issuance of the **Notice of Additional Qualified Payment** or of the petition for lump-sum judgment.
15 Should the Court award lump-sum judgment, the Clerk shall forthwith issue such judgment and if not
16 satisfied by the **Remedial Defendants** within ten (10) days thereafter, the **Willits Trust** may apply to
17 the Clerk for issuance of, and the Clerk shall issue, writ(s) of execution, including garnishment or
18 attachment thereon, in accordance with, and subject to, the covenant not to execute contained in Section
19 VII.D. of this Consent Decree.

20 2. Informal Dispute Resolution. On or before the twentieth (20th) calendar
21 day following receipt of the **Notice of Additional Qualified Payment**, **Remedial Defendants** may, by
22 written request, demand informal dispute resolution concerning payment of amounts set forth in the
23 **Notice of Additional Qualified Payment**. The request shall set forth in detail the amounts **Remedial**
24 **Defendants** contend are unreasonable and the bases for such contention. If **Remedial Defendants**
25 request informal dispute resolution, the **Willits Trust** and **Remedial Defendants** shall confer informally
26 for a period not less than twenty (20) days and not to exceed forty-five (45) days to attempt to resolve
27 any dispute concerning the reasonableness of amounts set forth in the **Notice of Additional Qualified**
28 **Payment**. During the informal dispute resolution period, the **Willits Trust** and the **Remedial**

1 **Defendants** shall promptly exchange such information as reasonably required to determine the
2 reasonableness of the contested amounts. Nothing in this Section shall be deemed to require the
3 production or exchange of information subject to the attorney-client privilege, attorney work product
4 doctrine or any other applicable privilege. The **Willits Trust** and **Remedial Defendants** may, upon
5 mutual written agreement, extend the informal meet and confer period by two (2) additional twenty (20)
6 day periods.

7 3. Formal Dispute Resolution. If the dispute is not resolved pursuant to the
8 informal dispute resolution provisions set forth in Section VI.B.2. of this Consent Decree, **Remedial**
9 **Defendants** shall file within five (5) days from the termination of the informal dispute resolution period
10 set forth in Section VI.B.2. of this Consent Decree a written formal dispute resolution petition in
11 compliance with the requirements of Section XXII of this Consent Decree contesting the reasonableness
12 of any amount set forth in the **Notice of Additional Qualified Payment** deemed by **Remedial**
13 **Defendants** to be unreasonable ("Contested Amount"). Any such petition shall set forth in detail the
14 Contested Amounts and all of the bases upon which the Contested Amounts are challenged as
15 unreasonable or unnecessary pursuant to the terms of this Consent Decree.

16 a. Condition Precedent to Formal Dispute Resolution. No formal
17 dispute resolution petition contesting amounts set forth in a **Notice of Additional Qualified Payment**
18 may be filed unless, prior to filing the formal dispute resolution petition, **Remedial Defendants** pay to
19 the **Willits Trust**, and the **Willits Trust** shall have received, the uncontested amounts in full along
20 with 50% of the Contested Amount. The **Willits Trust** shall maintain any payment of Contested
21 Amounts in a severable account until final resolution of the petition. The **Willits Trust** shall not use
22 the Contested Amounts or interest earned thereon to pay for the **Work** or the operations of the **Willits**
23 **Trust** during the pendency of the dispute resolution petition without prior leave of the Court upon
24 noticed motion, which may be granted by the Court to pay reasonable amounts to achieve the goals and
25 purposes of this Consent Decree, if warranted by the circumstances. Any dispute resolution petition
26 filed in violation of this condition precedent shall be dismissed with prejudice.

27 b. Formal Dispute Resolution Proceedings. Notwithstanding any
28 contrary provisions set forth in Sections XXII and XXIII of this Consent Decree, the **Settling Parties**

1 agree and the Court hereby finds, orders, adjudges and decrees that in any formal dispute resolution
2 commenced concerning a **Notice of Additional Qualified Payment**, other than disputes concerning
3 amounts loaned as Interim Funding Loans in response to **Notices of Additional Qualified Payments**
4 pursuant to Section VI.B.4 which are governed solely by Sections XXII and XXIII of this Consent
5 Decree, the **Remedial Defendants** shall pay the Contested Amount in full unless the **Remedial**
6 **Defendants** prove by clear and convincing evidence that the Contested Amounts may not be properly
7 demanded pursuant to the terms of this Consent Decree or any Order(s) issued pursuant to it, or that they
8 are unreasonable and unnecessary to fulfil the purposes of the **Consent Decree, Trust Declaration** or
9 the **Work**.

10 i. In the event that the position asserted by the **Willits Trust**
11 is determined, pursuant to the standard set forth in Section VI.B.3.b., to be unreasonable, **Remedial**
12 **Defendants** shall not be responsible for payment of any Contested Amount found to be unreasonable
13 or unnecessary. To the extent that any or all of the fifty percent (50%) of the Contested Amount paid
14 by **Remedial Defendants** to the **Willits Trust** relates to amounts finally determined to be unreasonable
15 or unnecessary, such unreasonable or unnecessary amounts shall be refunded by the **Willits Trust** to
16 **Remedial Defendants** within ten (10) days after such finding.

17 ii. In the event that **Remedial Defendants** fail to pay the
18 amount of the **Notice of Additional Qualified Payment** due as determined by dispute resolution
19 proceeding within five (5) days of the date specified by the final order concerning the **Notice of**
20 **Additional Qualified Payment**, the Court hereby finds, orders, adjudges and decrees that the **Willits**
21 **Trust** shall be entitled to, and the Clerk shall issue, lump-sum judgment against **Remedial Defendants**,
22 jointly and severally, in the sum certain of the **Notice of Additional Qualified Payment**. If the lump-
23 sum judgment is not satisfied by the **Remedial Defendants** within ten (10) days thereafter, the **Willits**
24 **Trust** may apply to the Clerk for issuance of, and the Clerk shall issue, writ(s) of execution, including
25 garnishment or attachment thereon, in accordance with, and subject to, the covenant not to execute
26 contained in Section VII.D. of this Consent Decree.

27 4. Interim Funding Period. The time period from the effective date of this Consent
28 Decree until a final non-appealable order is entered in **Plaintiffs'** action or actions to recover on the

1 judgment granted in Sections VII.A. and B. hereof, or until the Court approves selection of the Final
2 Remedial Action, whichever comes first, shall be known as the "Interim Funding Period." Remedial
3 Defendant Whitman shall loan reasonable amounts in response to any reasonable Notice of Additional
4 Qualified Payment issued, in whole or in part, during the Interim Funding Period to pay for the
5 performance of the obligations imposed upon the Willits Trust hereunder and under the Trust
6 Declaration, including without limitation operations of the Willits Trust and Trustee compensation,
7 in the form of unitary, extendable, non-recourse loans (hereinafter "Interim Funding Loans") subject
8 to the following conditions and limitations:

9 a. Purpose of Interim Funding Loans. The Settling Parties agree and the Court
10 hereby finds, orders, adjudges and decrees that the Interim Funding Loans shall be used solely for the
11 performance of the obligations imposed upon the Willits Trust hereunder and under the Trust
12 Declaration and for basic operational expenses of the Willits Trust non-exclusively including Trustee
13 compensation.

14 b. Dollar Limit of Interim Funding Loans. The total amount of funds Remedial
15 Defendants are obligated to loan to the Willits Trust during the Interim Funding Period shall be limited
16 to reasonable amounts in response to reasonable Notices of Additional Qualified Payments that are
17 necessary for the performance of the obligations imposed upon the Willits Trust hereunder and under
18 the Trust Declaration, including without limitation operations of the Willits Trust and Trustee
19 compensation.

20 c. Interest Rate and Accrual. The Interim Funding Loans shall bear a
21 compounded interest rate of no more than the applicable federal rate plus two (2) percentage points, to
22 be calculated for each month based on the interest rate published on the first business day of each month.
23 Interest shall accrue during the Interim Funding Period but neither accrued interest nor principal shall
24 be due and payable during the Interim Funding Period. The Court hereby finds, orders, adjudges and
25 decrees that any interest paid pursuant to this Section VI.B.4 is reasonable and appropriate and shall be
26 a reasonable expense of the Willits Trust.

27 d. Repayment and Recourse. The Interim Funding Loans and any interest
28 incurred thereon shall be and shall have recourse solely and exclusively against any amounts transferred

1 into the **Willits Trust** by any **Settling Party** pursuant to Section VIII of this Consent Decree or amounts
2 recovered by the **Willits Trust** on claims assigned to it by any **Settling Party** pursuant to Section VIII.
3 In the event **Plaintiffs** successfully recover upon any or all of the judgment granted in Section VII hereof
4 or if the **Willits Trust** recovers upon claims assigned to it by any **Settling Party** pursuant to
5 Section VIII, the **Willits Trust** shall repay the Interim Funding Loans and any interest accrued thereon
6 in full within thirty (30) days of the deposit of the proceeds into the **Willits Trust** in accordance with
7 Section VIII of this Consent Decree.

8 e. Payment of Interim Funding Loans. The Interim Funding Loans shall be paid
9 in such a manner as to minimize any adverse impact on the continuity of the **Work**.

10 f. Dispute Resolution. Any disputes regarding the reasonableness of the amounts
11 of any Interim Funding Loans provided in response to any reasonable **Notices of Additional Qualified**
12 **Payments** shall be governed by the dispute resolution provisions set forth at Sections XXII and XXIII
13 of this Consent Decree, as opposed to the Informal and Formal Dispute Resolution provisions set forth
14 at Sections VI.B.2 and VI.B.3 of this Consent Decree.

15 5. Cooperation Clause Expenses. In the event the **Plaintiffs** elect to exercise their
16 right to require the **Willits Trust** to provide competent and experienced legal counsel to assist **Plaintiffs**
17 in accordance with Section VI.A.7. of this Consent Decree, the **Willits Trust** shall issue a one-time
18 demand for cooperation clause legal expenses to the **Remedial Defendants** in an amount not to exceed
19 Three Hundred Thousand Dollars (\$300,000.00). Defendant Whitman on behalf of the **Remedial**
20 **Defendants** shall advance the sum demanded to the **Willits Trust** in the form of a unitary, extendable,
21 non-recourse loan bearing an interest rate of no more than the applicable federal rate plus two (2)
22 percentage points ("Cooperation Clause Loan"). The Cooperation Clause Loan and any interest incurred
23 thereon shall be and bear recourse solely and exclusively against any amounts transferred into the **Willits**
24 **Trust** by any **Settling Party** pursuant to Section VIII of this Consent Decree or amounts recovered by
25 the **Willits Trust** on claims assigned to it by any **Settling Party** pursuant to Section VIII. Interest shall
26 accrue during the Interim Funding Period but neither accrued interest nor principal shall be due and
27 payable during the Interim Funding Period. The Court hereby finds, orders, adjudges and decrees that
28 any interest paid pursuant to this Section VI.B.5. is reasonable and appropriate and shall be a reasonable

1 expense of the **Willits Trust**. In the event any **Settling Party** successfully recovers upon any or all of
2 the judgment granted in Section VII hereof, or if the **Willits Trust** recovers on claims assigned to it by
3 any **Settling Party** pursuant to Section VIII, the **Willits Trust** shall repay the Cooperation Clause Loan
4 and any interest accrued thereon in full within thirty (30) days of the deposit of the proceeds into the
5 **Willits Trust**.

6 C. Reserve Funds.

7 1. Medical Monitoring Reserve. The **Settling Parties** agree and the Court hereby
8 finds, orders, adjudges and decrees that **Hazardous Substances** have emanated from the **Site** to
9 adjoining residential properties; that the **Plaintiffs** have demanded a remedy including medical
10 monitoring for any alleged personal injury or bodily damage caused by the presence of **Hazardous**
11 **Substances** in, at, around and emanating from the **Site**; and, that by reason of the **Willits Trust** taking
12 legal title to the **Site**, there exists a real and potential risk that personal injury or bodily damage claims
13 may be asserted against the **Willits Trust**. Therefore, the **Settling Parties** agree and the Court hereby
14 finds, orders, adjudges and decrees that the **Willits Trust** shall create, maintain, invest and manage a
15 reserve fund in an amount appropriate to provide for necessary and appropriate medical monitoring for
16 those current or former residents of the City of Willits who may or have suffered personal injury or
17 bodily damage from the **Hazardous Substances** at and emanating from the **Site** (the "Medical
18 Monitoring Reserve"). In no event shall the **Medical Monitoring Reserve** be less than Two Million
19 Dollars (\$2,000,000). The **Willits Trust** shall create the **Medical Monitoring Reserve** exclusively from
20 the recoveries transferred to the **Willits Trust** by **Plaintiffs** pursuant to Section VIII.A.2. of this Consent
21 Decree. Subject to Section VI.C.4. of this Consent Decree, the **Trustee** shall not invade or otherwise
22 use any portion of the **Medical Monitoring Reserve** to pay for the **Work** required pursuant to this
23 Consent Decree or for the administration of the **Willits Trust**. No later that one hundred twenty (120)
24 days after funding of the **Medical Monitoring Reserve** from the funds transferred to the **Willits Trust**
25 by **Plaintiffs** pursuant to Section VIII.A.2. of this Consent Decree, the **Willits Trust** shall develop
26 appropriate procedures and guidelines for administration and implementation of the **Medical**
27 **Monitoring Reserve** including, without limitation procedures and eligibility criteria for persons to
28 petition the **Medical Monitoring Reserve** for inclusion in the medical monitoring program. The **Willits**

1 **Trust** shall issue a notice to the public in accordance with Section XVII.E. of this Consent Decree
2 stating that it has prepared the procedures and guidelines for the **Medical Monitoring Reserve** and that
3 such procedures and guidelines are available to interested persons in the **Document Depository**. The
4 **Willits Trust** shall take such actions as are reasonably required to provide for the maintenance of the
5 **Medical Monitoring Reserve** until ten (10) years after initiation of closure and post-closure activities
6 in accordance with the **RAP** (the "Tail Period"). Upon dissolution of the **Willits Trust**, the **Willits**
7 **Trust** shall apply as much of the **Medical Monitoring Reserve** as necessary to purchase, fund or
8 otherwise secure appropriate insurance coverage for the remainder of the Tail Period, if any, insuring
9 the risks reserved against in the **Medical Monitoring Reserve**. The **Willits Trust** shall also maintain
10 during the life of the **Willits Trust**, through and including termination of the Tail Period, excess
11 insurance in accord with the requirements set forth in Sections VI.A.8 and VI.A.10 of this Consent
12 Decree.

13 2. Closure Reserve. The **Willits Trust** shall create, maintain, manage and invest an
14 appropriate reserve for closure and post-closure obligations arising out of or related to the **Site** including,
15 without limitation, possible demolition and disposal of above-grade and sub-grade structures, grading
16 of the **Site**, compliance with applicable health and safety laws, rules, regulations and ordinances and **Site**
17 closure and post-closure monitoring (the "**Closure Reserve**"). The **Willits Trust** shall establish the
18 **Closure Reserve** in an amount appropriate to completely and competently satisfy any closure and
19 post-closure requirements, but in no event less than One Million Five Hundred Thousand Dollars
20 (\$1,500,000.00). The **Willits Trust** shall create the **Closure Reserve** solely and exclusively from the
21 recoveries transferred to the **Willits Trust** by **Plaintiffs** pursuant to Section VIII.A.2. of this Consent
22 Decree. Subject to Section VI.C.4. of this Consent Decree, the **Trustee** shall not invade or use any
23 portion of the **Closure Reserve** to pay for the **Work** required pursuant to this Consent Decree or for the
24 administration of the **Willits Trust**. The **Willits Trust** shall maintain the **Closure Reserve** until all
25 closure and post-closure care is complete or until such time as a purchaser or lessee of the **Site** assumes
26 the closure and post-closure obligations, and evidences acceptable financial assurances, to complete the
27 closure and post-closure care. In the event closure or post-closure care will continue after the dissolution
28 of the **Willits Trust**, the **Willits Trust** shall apply as much of the **Closure Reserve** as necessary to

1 purchase, fund or otherwise secure an appropriate mechanism, whether insurance coverage, an annuity,
2 or otherwise, to completely and competently perform the remaining closure and post-closure tasks.

3 3. Natural Resource Reserve. The **Settling Parties** agree and the Court hereby
4 finds, orders, adjudges and decrees that in order to further the purposes of the **Willits Trust** and assist
5 in the effective and expeditious response to the **Hazardous Substances** in, at, around and emanating
6 from the **Site**, the net amount of the Two Million Dollars (\$2,000,000) awarded to the **Plaintiffs** for
7 property damage claims including natural resource and nuisance damage claims transferred to the **Willits**
8 **Trust** pursuant to Section VIII.A.2. of this Consent Decree, shall be held in reserve by the **Willits Trust**
9 (the "**Natural Resource Reserve**"). The **Willits Trust** shall create the **Natural Resource Reserve**
10 solely and exclusively from the recoveries transferred to the **Willits Trust** by **Plaintiffs** pursuant to
11 Section VIII.A.2. of this Consent Decree. The **Willits Trust** shall hold, manage and invest the **Natural**
12 **Resource Reserve** in accordance with the terms of this Consent Decree and the **Trust Declaration**.
13 Any interest earned on, or other income derived from, the **Natural Resource Reserve** during the term
14 of this Consent Decree shall be used to defray the cost of the **Work** required by this Consent Decree and
15 the administration of the **Willits Trust**, including prosecution of any claims or causes of action held or
16 hereafter acquired by the **Willits Trust**. The **Trustee** shall not invade or otherwise use the principal of
17 the **Natural Resource Reserve** to defray the costs of the **Work** required by this Consent Decree or for
18 the administration of the **Willits Trust** without the prior written consent of the **Plaintiffs**. Upon
19 dissolution of the **Willits Trust**, the **Willits Trust** shall pay to the City of Willits the remaining principal
20 of the **Natural Resource Reserve**. In addition, upon dissolution of the **Willits Trust**, the **Willits Trust**
21 shall pay, to the extent of the **Corpus of the Willits Trust** remaining after all other payments due
22 pursuant to the terms of this Consent Decree and the **Trust Declaration**, or otherwise, have been made
23 upon dissolution of the **Willits Trust**, to the City of Willits 6% interest, compounded annually on the
24 principal of the **Natural Resource Reserve**, from the date of transfer of the **Natural Resource Reserve**
25 to the **Willits Trust**.

26 4. Reserve Funding Priority. The **Medical Monitoring Reserve**, **Closure Reserve** and
27 **Natural Resource Reserve** shall be funded in such priority as and when the **Trustee** deems appropriate
28 in its sole discretion. The payments required pursuant to Sections VI.D.4. and 5. shall be made prior to

1 funding the **Medical Monitoring Reserve, Closure Reserve or Natural Resource Reserve.**

2 5. Risk Management. The **Settling Parties** agree and the Court hereby finds, orders,
3 adjudges and decrees that the **Willits Trust** may use any or all of the **Medical Monitoring Reserve** and
4 **Closure Reserve** to fund any appropriate risk management activities, or Alternative Risk Management
5 Activities pursuant to Section IX.G. of this Consent Decree, which the **Trustee** deems effective,
6 beneficial or in the best interest of the **Willits Trust** including the acquisition of insurance at cost-
7 effective premium rates to cover any or all of the risks and work reserved against including, without
8 limitation: (i) the purchase or pre-funding of appropriate insurance products; or, (ii) the formation and
9 appropriate capitalization of a foreign or domestic captive insurance company. The income, if any,
10 derived from the management and investment by the **Willits Trust** of the **Medical Monitoring Reserve**
11 and **Closure Reserve** may also be used to off set or reduce the cost of insurance required under this
12 Consent Decree.

13 D. Required Payments by The Willits Trust.

14 1. Payment of Government Oversight Fees and Costs. Subject to the provisions of
15 this paragraph, the **Willits Trust** shall, at its **Sole Cost**, pay, in the first instance, any and all fees and
16 costs which lawfully may be imposed pursuant to any valid and applicable federal, state, or local law,
17 including, without limitation, for governmental oversight, review or permitting activities, arising from
18 or related to the **Work** at the **Site**, operations of the **Willits Trust** or ownership of the **Site** which do not
19 conflict with, unnecessarily impede or unreasonably burden the accomplishment of the requirements of
20 **CERCLA, RCRA, the NCP, Orders of this Court entered herein, the Work, or this Consent Decree.**
21 The **Willits Trust** shall pay to such federal, state or local agency all properly recoverable fees, costs, and
22 expenses incurred by such agency in administering or enforcing such requirements or in overseeing and
23 reviewing the performance of any work conducted to comply with such requirements.

24 a. Tender of Government Oversight Fees and Costs. If a claim for
25 government oversight fees and costs is received by a **Settling Party** and is tendered to the **Willits Trust**
26 within ten (10) days thereafter, the **Willits Trust** shall indemnify and hold harmless the **Settling Party**
27 for any properly tendered governmental fees and costs lawfully imposed on the **Settling Party** arising
28 from or related to the **Work** required pursuant to this Consent Decree. Subject to its right to dispute any

1 such fees or costs, the **Willits Trust** shall pay any such government oversight fees and costs in the first
2 instance. In the event any such government oversight fees and costs are imposed upon any **Settling**
3 **Party**, the **Settling Party** shall, at the earliest reasonable date, notify the **Willits Trust** in writing of the
4 intent of such **Settling Party** to pay such governmental oversight fees or costs. If the **Willits Trust**
5 contests any such fees, costs or expenses, the **Willits Trust** shall assume the obligation imposed upon
6 the **Settling Party** and, thereafter, the **Willits Trust** may undertake any available challenge to the
7 governmental oversight fees and costs imposed. The **Settling Party** tendering the claim for
8 indemnification for government oversight fees and costs shall cooperate with the **Willits Trust** in any
9 challenge to the government oversight fees and costs.

10 b. Rights Preserved. In the event any such government fees and costs are
11 lawfully imposed on a **Settling Party** arising from or related to the **Work** and are tendered to the **Willits**
12 **Trust** for indemnification in accordance with Section VI.D.1. of this Consent Decree, the **Willits Trust**
13 shall be subrogated to all of the rights of the **Settling Party** and shall retain all the rights of the **Willits**
14 **Trust** and the **Settling Party** under applicable law, if any, to challenge any such fees and costs imposed
15 by any governmental agency and are expressly preserved for the **Willits Trust** and may be exercised by
16 the **Willits Trust** at its **Sole Cost** and in the sole discretion of the **Trustee**.

17 2. Wausau Loan. The **Willits Trust** was obligated by Order of this Court to repay
18 all amounts properly due and owing from **Remedial Defendants** to Wausau Insurance Companies,
19 Employers Insurance of Wausau, A Mutual Company, and Employers Mutual Liability Insurance
20 Company of Wisconsin (collectively "Wausau") pursuant to the Settlement Agreement and Mutual
21 Release entered into between **Remedial Defendant** Whitman and Wausau on February 28, 1996. On
22 June 2, 1999, **Remedial Defendant** Whitman made such repayment on behalf of the **Willits Trust**.
23 Accordingly, the **Willits Trust** shall reimburse **Remedial Defendant** Whitman for all amounts paid by
24 **Remedial Defendant** Whitman on behalf of the **Willits Trust** with respect to the loan and the
25 February 28, 1996 Settlement Agreement and Mutual Release. Such reimbursement shall be made solely
26 and exclusively from the recovery, if any, from either the Judgment Execution Action or on the claims
27 assigned to the **Willits Trust** in Section VIII.B. of this Consent Decree.

28 3. Plaintiffs' Litigation Costs Incurred in Execution. During the Interim Funding

1 Period, and to the extent that **Plaintiffs** have not pledged, assigned or transferred the judgment granted
2 in Section VII of this Consent Decree in accord with Section VIII.A of this Consent Decree, the **Willits**
3 **Trust** shall pay the litigation costs of **Plaintiffs** associated with such action in an amount to be
4 negotiated by the **Plaintiffs** and **Remedial Defendant** Whitman, with assistance from the Court as
5 necessary. Litigation costs shall include reasonable attorneys' fees and expert witness fees and costs
6 incurred by **Plaintiffs** to execute upon the judgment granted pursuant to Section VII.A. of this Consent
7 Decree. Payment of reasonable attorneys' fees shall be incurred and paid at the reasonable and
8 customary rate in Mendocino County, up to One Hundred Fifty Dollars (\$150.00) per hour.

9 4. Plaintiffs' Enforcement Fees and Costs. The **Willits Trust** shall pay to the Plaintiff
10 City of Willits in full and complete satisfaction for all of **Plaintiffs'** claims for litigation costs, including
11 reasonable attorneys' fees and costs and expert witness fees and costs, incurred by **Plaintiffs** in this
12 action through and including thirty (30) days after entry of this **Consent Decree** the amount of Five
13 Hundred Seventy Four Thousand Dollars (\$574,000.00) as follows:

14 Upon entry of the Consent Decree, the **Willits Trust** shall pay to the City of Willits Three
15 Hundred Sixty Thousand Dollars (\$360,000.00) as follows:

16		
17	a. Fifty percent of agreed negotiated amount of claimed past attorneys fees (\$428,000.00):	\$214,000.00
18	b. Agreed attorney fees to be incurred for November 1996 through January 1997:	52,000.00
19	c. 100% of past costs:	<u>94,000.00</u>
20		
21		TOTAL DUE: \$360,000.00

22 If any recovery is made on the judgment granted in Section VII.A. of this Consent Decree, whether by
23 judgment, settlement, compromise or otherwise, the **Willits Trust** shall pay to the City of Willits One
24 Hundred Twenty Five Thousand Dollars (\$125,000.00) of the remaining Two Hundred Fourteen
25 Thousand Dollars (\$214,000.00) of the agreed and negotiated amount of past attorney fees upon transfer
26 of the recovered amounts into the **Willits Trust** if in the **Trustee's** sole and exclusive discretion such
27 payment will not unnecessarily interfere with the operation of the **Willits Trust** or the timely and
28 competent performance of the **Work**. Upon final dissolution of the **Willits Trust**, the plan of
dissolution and distribution required by Section XXVIII of this Consent Decree shall include, to the

1 extent that funds remain after all other payments due pursuant to the terms of this Consent Decree and
2 the **Trust Declaration**, or otherwise, have been made upon dissolution of the **Willits Trust**, payment
3 of the remaining balance of the agreed negotiated amount of **Plaintiffs'** past attorneys' fees from the
4 then available **Corpus of the Willits Trust**.

5 5. Whitman's Past Defense, Investigation or Indemnity Expenditures. In the event:

6 (a) any of the claims assigned or transferred to the **Willits Trust** pursuant to Section VIII are recovered
7 upon by the **Willits Trust**, or by any **Settling Party** in contemplation or anticipation of formation of the
8 **Willits Trust**; or, (b) there is recovery by the **Willits Trust** pursuant to Section VIII of any proceeds of
9 applicable recoveries by any **Settling Party** for claims described in Section VII or Section VIII whether
10 by judgment, settlement, compromise or otherwise, for defense, investigation or indemnity expenditures
11 incurred by Defendant Whitman concerning or relating to this action, through and including the
12 execution date of this Consent Decree, the **Willits Trust** shall pay to Defendant Whitman its past
13 defense, investigation or indemnity expenditures to the extent recovered. The **Willits Trust** shall make
14 such payment to Defendant Whitman from any proceeds of the assigned claims within ten (10) days of
15 receipt from Defendant Whitman of a detailed summary setting forth the defense, investigation or
16 indemnity expenditures incurred by Defendant Whitman, including internal administrative costs directly
17 related to this action or the **Site**, concerning or relating to this action, through and including the
18 execution date of this Consent Decree. The **Willits Trust** shall make this payment forthwith unless the
19 proceeds to be paid are then immediately necessary for the operation of the **Willits Trust** and the
20 implementation of the obligations of the **Willits Trust** under this Consent Decree. If the **Trustee**
21 determines that payment cannot be made within ten (10) days of receipt of Defendant Whitman's
22 summary of defense, investigation or indemnity expenditures because the proceeds from the assigned
23 claims are immediately necessary for the operation of the **Willits Trust** and the implementation of the
24 obligations of the **Willits Trust** under this Consent Decree, the **Trustee** shall make such payment to
25 Defendant Whitman as soon as practicable thereafter.

26 6. Trustee Compensation, Costs and Expenses. The **Trustee** shall be compensated

27 in accordance with terms and conditions of the **Trust Declaration**. The **Willits Trust** shall prepare and
28 serve upon the **Plaintiffs** and the **Remedial Defendants**, by the twentieth (20th) day of each month a

1 summary of the costs and expenses incurred by or on behalf of the **Willits Trust** and paid in the
2 immediately preceding month and, if reasonable hourly rate method of **Trustee** compensation is then
3 in effect, the services and hours rendered supporting the **Trustee** compensation claimed for the
4 immediately preceding month. **Plaintiffs** and the **Remedial Defendants** shall have five (5) days to
5 object to the monthly report in accordance with the dispute resolution provisions of Sections XXII and
6 XXIII of this Consent Decree. If **Plaintiffs** or the **Remedial Defendants** fail to timely file a dispute
7 resolution petition in full compliance with and according to this Section and Sections XXII and XXIII
8 of this Consent Decree, the subject expenses of the **Willits Trust** and **Trustee** compensation shall be
9 deemed reasonable and shall not be subject to further review or challenge by any **Settling Party** under
10 this Consent Decree or otherwise. Notwithstanding the provision of Sections XXII and XXIII of this
11 Consent Decree, the **Settling Parties** agree and the Court hereby finds, orders adjudges and decrees that
12 in any formal dispute resolution petition filed pursuant to this paragraph concerning expenses of the
13 **Willits Trust** or **Trustee** compensation, the expenses and compensation claimed by the **Trustee** shall
14 be allowed unless the **Remedial Defendants** show by clear and convincing evidence that the expenses
15 and compensation are unreasonable and unnecessary to fulfil the purposes of the Consent Decree, **Trust**
16 **Declaration** or the **Work**. Any expenses of the **Willits Trust** or reasonable hourly **Trustee**
17 compensation disallowed pursuant to the dispute resolution process shall be refunded to the **Willits**
18 **Trust** in accordance with the Court's dispute resolution order.

19
20 **VII**
21 **JOINT AND SEVERAL LUMP SUM JUDGMENT**
22 **AND INJUNCTIVE ORDER AGAINST DEFENDANTS**
23 **WHITMAN CORPORATION AND PNEUMO ABEX CORPORATION**

24 A. Judgment. Judgment is hereby awarded to **Plaintiffs** against Defendants Whitman and
25 Pneumo Abex, jointly and severally, in the amount of Nine Million Three Hundred and Fifty Thousand
26 Dollars (\$9,350,000.00) as and for damages, including recovery on all its claims for property damage,
27 injury, nuisance damages, damage to natural resources and litigation costs, including attorneys' fees and
28 costs and expert witness fees and costs, arising from or relating to the environmental conditions at or
emanating from the **Site** as asserted herein, including, but not limited to, damages to the natural
resources owned or held in trust by the People of the State of California.

B. Declaratory Judgment and Corresponding Injunctive Order to Pay. **Plaintiffs** are hereby

1 awarded against Defendants Whitman and Pneumo Abex, jointly and severally, declaratory judgment
2 and a corresponding injunctive order to pay requiring that Defendants Whitman and Pneumo Abex are
3 obligated to, and shall, timely pay, as and for property damage and as nuisance damages for abatement
4 of any public nuisances or imminent and substantial endangerments to health and the environment
5 arising from the Site, all amounts properly demanded in **Notice of Additional Qualified Payment**
6 issued by the **Willits Trust** in accordance with and subject to the provisions of Section VI.B. of this
7 Consent Decree, as the same may be altered or modified pursuant to properly and timely invoked dispute
8 resolution proceedings in accordance with the terms and conditions of Sections VI.B.2. and 3. of this
9 Consent Decree. In addition to contempt proceedings which may be brought by **Plaintiffs** or the **Willits**
10 **Trust** to enforce this declaratory judgment and injunctive order to pay and any other remedy available
11 at law or equity, this continuing Injunctive Order to Pay may be enforced by lump-sum judgment and
12 writ of execution as provided for and in accordance with the provisions of this Consent Decree.

13 C. Judgment Recovery. Sums recovered pursuant to the joint and several lump sum
14 judgment awarded herein shall be held by the **Willits Trust** in accordance with the provisions of
15 Sections VI.C.1., 2. and 3. of this Consent Decree and the **Trust Declaration** as follows:

16	1. Medical Monitoring Reserve:	\$2,000,000.00
17	2. Closure / Post Closure Reserve:	\$1,500,000.00
18	3. Natural Resource & Nuisance Damages:	\$2,000,000.00
19	4. Initial Willits Trust Funding:	<u>\$3,850,000.00</u>
20	TOTAL	\$9,350,000.00

21 D. Covenant Not To Execute. Notwithstanding paragraph VIII.A.1. below, **Plaintiffs** and
22 any successor in interest, assignee, transferee, or purchaser for value of the judgment granted in this
23 Section VII, hereby agree and covenant that they will not, and the Court hereby orders, adjudges and
24 decrees that they shall not, as judgment creditor hereunder, execute upon the judgment granted or orders
25 set forth in Sections VII.A. and B. of this Consent Decree on any assets, monies, property, whether real,
26 personal or intangible, rights, causes of action, things in action, holdings, claims or entitlements of any
27 kind or nature whatsoever, now or hereafter acquired, of Defendant Pneumo Abex or any of its officers,
28 directors, parents, subsidiaries, agents or assigns, nor shall it execute on any of the assets, monies,

1 property, whether real, personal or intangible, rights, causes of action, things in action, holdings, claims
2 or entitlements of any kind or nature whatsoever, now or hereafter acquired, of Defendant Whitman or
3 any of its officers, directors, parents, subsidiaries, agents or assigns, other than against the following
4 assets:

5 1. Travelers Insurance Company's insurance policies as follows:

- 6 a. Policy or policies for the period 12/31/66 through 1/31/69 issued to Stanray
7 Corporation;
8 b. Policy #TRNSL 121T165074 for the period 6/1/74 through 6/1/75 issued to
9 Stanray Corporation;
10 c. Policy #TRNSL 121T165075 for the period 6/1/75 through 6/1/76 issued to
11 Stanray Corporation;
12 d. Policy #TRNSL 121T165076 for the period 6/1/76 through 6/1/77 issued to
13 Stanray Corporation; and,

14 2. Lloyd's of London and the London Market's insurance policies as follows:

- 15 a. Policy #K15771 for the period of 12/31/66 through 1/31/70 issued to Stanray
16 Corporation;
17 b. Policy #CU7456 for the period of 12/31/66 through 1/31/70 issued to Stanray
18 Corporation;
19 c. Policy #CU7612 for the period of 3/6/67 through 1/31/70 issued to Stanray
20 Corporation;
21 d. Policy #CX0958 for the period of 12/31/68 through 12/31/71 issued to Stanray
22 Corporation;
23 e. Policy #K22680 for the period of 1/31/70 through 1/31/73 issued to Stanray
24 Corporation;
25 f. Policy #CX2825 for the period of 1/31/70 through 1/31/73 issued to Stanray
26 Corporation; and,

27 3. Any other assets of defendant Whitman, including insurance assets, which defendant
28 Whitman and **Plaintiffs** may agree to in writing and confirmed pursuant to further Order
of the Court hereunder and thereafter recorded with this judgment. Nothing herein shall
allow **Plaintiffs** to seek, demand, compel or require, in any way, Defendant Whitman
to provide such additional assets for execution.

29 E. Recordation. The **Settling Parties** agree, and the Court hereby orders, adjudges and
30 decrees that the covenant set forth in Paragraph VII.D. above shall run with the judgment herein and
31 shall be binding on any successor in interest, assignee, transferee or purchaser for value of the judgment
32 granted in this Section VII. The Court further orders that, in the event that the judgment rendered herein

1 is recorded as a matter of public record, the Covenant Not to Execute set forth in Paragraph VII.D. shall
2 be recorded concurrently, and together with, the judgment.

3 **VIII**
4 **COMMITMENTS OF THE SETTLING PARTIES**

5 A. Commitments of Plaintiffs. The **Settling Parties** agree and the Court hereby finds,
6 orders, adjudges and decrees that **Plaintiffs** shall timely and competently undertake the following
7 obligations:

8 1. Judgment Execution. **Plaintiffs** shall diligently pursue execution on, and recovery
9 of, all amounts due pursuant to the judgment granted in Section VII of this Consent Decree; and

10 2. Funding of Willits Trust. **Plaintiffs** shall, immediately upon receipt, deposit in the
11 **Willits Trust** all proceeds from all recoveries for claims arising from or related to the environmental
12 conditions in, at, around or emanating from the **Site**, specifically including any and all recoveries from
13 non-settling parties and all proceeds from any action(s) to recover on, or settlements regarding, the
14 judgment granted in Section VII of this Consent Decree, less a success fee of not more than fifteen
15 percent (15%) of the amounts awarded for damage to natural resources recovered pursuant to the
16 judgment granted in Section VII.C.3. of this Consent Decree as and for contingent legal fees, if any,
17 incurred by **Plaintiffs** in pursuing recovery(ies) on the judgment rendered herein; and

18 3. Non-Settling Party Claims. **Plaintiffs** shall consult with, and obtain concurrence
19 from, the **Willits Trust** prior to settling, compromising, valuing, or resolving any claims the **Plaintiffs**
20 have, or may have, against any non-settling parties arising from or relating to the environmental
21 conditions at and in the vicinity of the **Site**, including without limitation claims arising from or relating
22 to property damage caused by the presence of **Hazardous Substances** in, at, around and emanating from
23 the **Site**; and

24 4. Transfer of Judgment or Obligations. **Plaintiffs** shall not pledge, assign, or
25 transfer the judgment awarded in Section VII of this Consent Decree or assign to any other person any
26 of its obligations under this Consent Decree without first providing written notice of the proposed
27 transfer to the **Willits Trust** and **Remedial Defendants**. **Plaintiffs** shall not pledge, assign, or transfer
28 the judgment awarded in Section VII of this Consent Decree or assign to any other person any of its
obligations under this Consent Decree without providing written notice to the prospective transferee or

1 assignee of the complete terms and conditions of the covenant not to execute contained in Section VII.D.
2 of this Consent Decree and the other obligations of **Plaintiffs** under this Consent Decree. The **Willits**
3 **Trust** or the **Remedial Defendants** may contest any such assignment, pursuant to Sections XXII and
4 XXIII of this Consent Decree, if it is alleged that such transfer may adversely impact the ability of the
5 **Willits Trust** to perform the **Work** or otherwise achieve the goals and purposes of the Consent Decree
6 or **Trust Declaration**.

7 5. Effect of Transfer of Judgment to the Willits Trust. To the extent that the judgment
8 awarded in Section VII of this Consent Decree is transferred from **Plaintiffs** to the **Willits Trust**,
9 **Plaintiffs** shall be relieved from the obligation to diligently pursue execution on, and recovery of, all
10 amounts due pursuant to the judgment, as set forth at Section VIII.A.1 herein.

11 6. Cooperation. **Plaintiffs** shall cooperate with the **Willits Trust** and the other **Settling**
12 **Parties** in the prosecution of all claims arising from or related to this Consent Decree or the
13 environmental conditions at the **Site**, including, but not limited to, the production of all documents and
14 records, and the provision of testimony as may be reasonably requested or required by the **Willits Trust**
15 or other **Settling Parties**.

16 B. Commitments of Settling Defendants.

17 The **Settling Parties** agree and the Court hereby finds, orders, adjudges and decrees as follows:

18 1. Defendant Pneumo Abex Commitments.

19 a. Prior Settlement Amounts. Within five (5) days of entry of this Consent
20 Decree, Defendant Pneumo Abex, in concert with Defendant Whitman, shall transfer to the **Willits**
21 **Trust** the then remaining balance from prior settlements with its insurers arising from the claims
22 asserted in this action. The **Settling Parties** agree, and the Court hereby finds, that the amount of such
23 funds is Seven Hundred Sixty-Seven Thousand Dollars (\$767,000.00); and

24 b. Assignment of Claims. Defendant Pneumo Abex hereby irrevocably
25 assigns to the **Willits Trust** all of its claims, causes of action, choses in action, things in action or other
26 rights for recovery, specifically including any rights for indemnity, defense or recovery of costs of
27 defense pursuant to any policies of insurance, if any, arising from or related to the environmental
28 conditions in, at, around or emanating from the **Site** including, without limitation, all claims, causes of

1 action, choses in action, things in action or other right assigned to Defendant Pneumo Abex in prior
2 settlements with its insurers arising from the claims asserted in this action; but specifically excluding
3 any claims, causes of action, choses in action, things in action or rights for defense costs incurred in
4 responding to the Clean-up and Abatement Orders issued to Defendants Pneumo Abex or Whitman prior
5 to the effective date of this Consent Decree by the California Regional Water Quality Control Board --
6 North Coast Region concerning the **Site** and which are encompassed in the action styled *Jensen-Kelly*
7 *Corporation, et al. v. Allianz Insurance Company, et al.*, Case No. BC069018, currently pending in the
8 Superior Court of the State of California for the County of Los Angeles, and specifically excluding any
9 claims for indemnification arising from that certain Stock Purchase Agreement dated April 28, 1988,
10 as amended, between IC Industries, Inc. and PA Holdings Corporation.

11 c. Cooperation. Defendant Pneumo Abex shall cooperate with the **Willits**
12 **Trust** and the other **Settling Parties** in the prosecution of all claims arising from or related to this
13 Consent Decree or the environmental conditions in, at, around or emanating from the **Site**, including,
14 but not limited to, the production of all documents and records, and the provision of testimony as may
15 be reasonably requested or required by **Plaintiffs** or the **Willits Trust**; and

16 d. Make Timely Payments. Subject to the provisions of Section VI.B. of this
17 Consent Decree, Defendant Pneumo Abex shall loan reasonable amounts in response to reasonable
18 **Notices of Additional Qualified Payments**; and,

19 e. Waiver of Conflicts. In the event the **Plaintiffs** demand that the **Willits Trust**
20 provide counsel in accordance with Section VI.A.7. of this Consent Decree and the **Willits Trust** selects
21 counsel who have previously represented Defendant Pneumo Abex in this or any related action,
22 Defendant Pneumo Abex being fully aware and advised of the potential conflicts of interest which may
23 arise, and having sought and received independent counsel concerning the evaluation of this waiver
24 issue, and being a sophisticated business entity, Defendant Pneumo Abex hereby knowingly waives any
25 conflict of interest and authorizes such counsel to represent the **Willits Trust** in connection with the
26 matters encompassed in Section VI.A.7. of this Consent Decree; and,

27 f. No Release. Pneumo Abex shall not in any way release, discharge, settle or
28 otherwise impair the insurance policies identified in Section VII.D. of this Consent Decree without the

1 prior written consent of the Plaintiffs.

2 2. Defendant Remco Commitments.

3 a. Title Transfer. Remco shall quitclaim all of their rights, title and interest in
4 the **Site** to the **Willits Trust**. In the event approval of the United States Bankruptcy Court for the
5 District of Delaware is required, Remco shall quitclaim all of their rights, title and interest in the **Site**
6 to the **Willits Trust** within five (5) days of the issuance of any required approval or order, if any, of the
7 Bankruptcy Court. In the event no approval of the Bankruptcy Court is required then Remco shall
8 immediately upon the effective date of this Consent Decree quitclaim all of their rights, title and interest
9 in the **Site** to the **Willits Trust**; and

10 b. Assign Claims. Defendant Remco shall assign to the **Willits Trust** all of
11 their claims, causes of action, choses in action, things in action, or other rights, if any, including for
12 indemnity or defense, arising from or related to the environmental conditions in, at, around or emanating
13 from the **Site**. In the event approval of the United States Bankruptcy Court for the District of Delaware
14 is required, Defendant Remco shall effect this assignment within five (5) days of the issuance of any
15 required approval or order, if any, of the Bankruptcy Court. In the event no approval of the Bankruptcy
16 Court is required then Remco shall hereby irrevocably, immediately upon the effective date of this
17 Consent Decree, assign to the **Willits Trust** all of their claims, causes of action, choses in action, things
18 in action, or other rights, if any, arising from or related to the environmental conditions in, at, around
19 or emanating from the **Site**; and

20 c. Cooperation. Remco shall cooperate with the **Willits Trust** and the other
21 **Settling Parties** in the prosecution of all claims arising from or related to this Consent Decree or the
22 environmental conditions in, at, around or emanating from the **Site**, including, but not limited to, the
23 production of all documents and records and the provision of testimony as may be reasonably requested
24 or required by **Plaintiffs** or the **Willits Trust**.

25 3. Defendant Whitman's Commitments.

26 a. Prior Settlement Amounts. Within five (5) days of entry of this Consent
27 Decree, Defendant Whitman, in concert with Defendant Pneumo Abex, shall transfer to the **Willits**
28 **Trust** the funds set forth in Section VIII.B.1.a. of this Consent Decree. Within five (5) days of entry of

1 this Consent Decree, Defendant Whitman shall also initiate transfer to the **Willits Trust** the designated
2 proceeds of the settlement with Travelers Insurance Company, as set forth in the settlement agreement
3 attached hereto and incorporated herein by reference at Appendix E; and,

4 b. Assign Claims. Defendant Whitman shall assign to the **Willits Trust** all
5 of its claims, causes of action, choses in action, things in action or other rights for defense costs or
6 indemnity, whether equitable, contractual or otherwise, against any person arising from or related to the
7 environmental conditions in, at, around or emanating from the **Site** including, without limitation: (i) any
8 rights for indemnity or costs of defense pursuant to any policies of insurance; (ii) any and all claims,
9 causes of action, choses in action, things in action or other rights for contribution, defense costs or
10 indemnity, whether equitable, contractual or otherwise, against Stanray or Abex. This assignment shall
11 specifically exclude any claims, causes of action, choses in action, things in action or rights for defense
12 costs incurred in responding to the Clean-up and Abatement Orders issued to Defendants Pneumo Abex
13 or Whitman prior to the effective date of this Consent Decree by the California Regional Water Quality
14 Control Board -- North Coast Region concerning the **Site** and which are encompassed in the action
15 styled *Jensen-Kelly Corporation, et al. v. Allianz Insurance Company, et al.*, Case No. BC069018,
16 currently pending in the Superior Court of the State of California for the County of Los Angeles; and

17 c. Make Timely Payments. Subject to the provisions of Section VI.B. of this
18 Consent Decree, Defendant Whitman shall loan reasonable amounts in response to reasonable **Notices**
19 **of Additional Qualified Payments**; and,

20 d. Cooperation. Defendant Whitman shall cooperate with the **Willits Trust**
21 and the **Settling Parties** in the prosecution of all claims arising from, or related to, this Consent Decree
22 or the environmental conditions in, at, around or emanating from the **Site**, including, but not limited to
23 the production of all documents and records and the provision of testimony as may be reasonably
24 requested or required by **Plaintiffs** or the **Willits Trust**; and

25 e. Waiver of Conflicts. In the event the **Plaintiffs** demand that the **Willits**
26 **Trust** provide counsel in accordance with Section VI.A.7. of this Consent Decree and the **Willits Trust**
27 selects counsel who have previously represented defendant Whitman in this or any related action,
28 defendant Whitman being fully aware and advised of the potential conflicts of interest which may arise,

1 and having sought and received independent counsel concerning the evaluation of this waiver issue, and
2 being a sophisticated business entity, defendant Whitman hereby knowingly waives any conflict of
3 interest and authorizes such counsel to represent the **Willits Trust** in connection with the matters
4 encompassed in Section VI.A.7. of this Consent Decree; and

5 f. No Release. Whitman shall not in any way release, discharge, settle or
6 otherwise impair the insurance policies identified in Section VII.D. of this Consent Decree without the
7 prior written consent of the Plaintiffs.

8 C. Nonassignability. The **Settling Parties** agree and the Court hereby orders, adjudges and
9 decrees, that no assignment of a **Settling Party's** rights, duties, or obligations under this Consent
10 Decree, in whole or in part, shall be effective to relieve the Settling Party any of its rights, duties and
11 obligations hereunder without the written concurrence of the **Settling Parties**, the **Willits Trust**, and
12 the approval of the Court after noticed motion.

13 IX
14 SITE TECHNICAL CONSULTANTS

15 A. Site Project Manager. The **Willits Trust** shall retain a qualified and appropriately
16 experienced geotechnical expert as **Site Project Manager** with full authority to represent the **Willits**
17 **Trust's** interests on all technical aspects of the **Work**. The requirement that a single **Site Project**
18 **Manager** be retained is intended to facilitate communications and is not intended to limit the use or
19 retention of such additional experts as the **Willits Trust** may deem necessary or appropriate to provide
20 services in conjunction with the **Site Project Manager**. Nothing in this Consent Decree shall prohibit
21 an appropriately qualified **Trustee** from also acting as **Site Project Manager**. The **Willits Trust** shall
22 promptly notify the **Plaintiffs** and the **Remedial Defendants** of the selection of the **Site Project**
23 **Manager**. The **Willits Trust** shall also notify the **Plaintiffs** and the **Remedial Defendants** of any
24 subsequent substitution of a **Site Project Manager** at least forty-five (45) days prior to the replacement
25 of the previous **Site Project Manager**. In every case, the notification required by this paragraph shall
26 be accompanied by a statement of sufficient detail to determine the qualifications and experience of the
27 person and entity, if any, proposed as **Site Project Manager**. The **Plaintiffs** and the **Remedial**
28 **Defendants** shall have thirty (30) days from the original notification and from the notice of any
subsequent substitution to object to the qualifications or experience of either or both the person or entity

1 proposed and timely challenge said proposed retention or substitution pursuant to the dispute resolution
2 provisions contained in Sections XXII and XXIII of this Consent Decree.

3 B. Plaintiffs' Site Monitor. The **Plaintiffs** may retain a qualified and appropriately experienced
4 geotechnical expert as **Site Monitor** with full authority to represent the **Plaintiffs'** interests on all
5 technical aspects of the **Work**. The requirement that a single **Site Monitor** be retained is intended to
6 facilitate communications and is not intended to limit the use or retention of such additional experts as
7 the **Plaintiffs** may deem necessary or appropriate to provide services in conjunction with the **Site**
8 **Monitor**.

9 C. Technical Consultant Access. The **Site Project Manger** and **Site Monitor** so designated
10 and retained shall be provided **Site** access as reasonable and necessary, pursuant to Section XIV of this
11 Consent Decree.

12 D. Work Related Insurance. The **Settling Parties** agree and the Court hereby finds, orders,
13 adjudges and decrees that the **Willits Trust** shall place and maintain in full force and effect, until
14 termination of this Consent Decree, for its **Site Project Manager** the following insurance, with terms
15 and conditions which are reasonably acceptable to the **Plaintiffs**, initially bearing the following limits
16 of liability and which policies shall not exclude claims between or among the named insureds and
17 additional named insureds:

- | | | | |
|----|----|--|-----------------|
| 18 | 1. | Workers Compensation | Statutory |
| 19 | 2. | Employers Liability | \$5,000,000 |
| 20 | 3. | Comprehensive General Liability
Including Contractual Liability | \$8,000,000 CSL |
| 21 | 4. | Automobile Liability, Including Bodily
Injury and Property Damage | \$5,000,000 CSL |
| 22 | 5. | Errors & Omissions Insurance | \$8,000,000 |
| 23 | 6. | Environmental Impairment Liability Insurance | \$15,000,000 |
| 24 | 7. | Off-Site Transportation & Disposal of
Hazardous Waste Insurance | \$15,000,000 |

25 The **Trustee** of the **Willits Trust**, in its sole discretion, may further review the adequacy of these
26 insurance requirements to adjust, if necessary, the coverage amounts to ensure reasonable and adequate
27 protection for the estimated risks attendant to the **Work** projected to be undertaken. To assist in the
28

1 review process, the **Trustee** may have its existing insurance coverage reviewed by a qualified
2 independent third party to recommend the level and nature of any adjustments. Upon review of the
3 adequacy of these insurance requirements, the **Trustee** may adjust insurance coverage to levels either
4 greater or less than the limits set forth in this Section IX.D to ensure reasonable and adequate protection
5 for the estimated risks.

6 E. Scope of Environmental Impairment Liability Insurance. The Environmental Impairment
7 Liability Insurance required by Section IX.D.6. shall provide indemnity coverage to the **Plaintiffs**, the
8 **Willits Trust**, the **Site Project Manager**, the **Settling Defendants** and all subcontractors or agents
9 working under the direction of the **Site Project Manager**, the **Settling Defendants**, **Plaintiffs** and the
10 **Willits Trust** for claims, suits, or liabilities of any nature, including any required environmental or other
11 investigation and cleanup or other response action, based upon, arising from, or relating to the actual,
12 alleged or threatened discharge, dispersal, release or escape of contaminants or pollutants, arising out
13 of or in connection with performance of the **Work**. Such Environmental Impairment Liability Insurance
14 shall be specific to the **Work** and to the **Site** and shall be in a form reasonably satisfactory to the
15 **Plaintiffs** and the **Willits Trust**.

16 F. Proof of Insurance. The **Willits Trust** shall furnish the **Plaintiffs** a certificate of
17 insurance or other evidence satisfactory to the **Plaintiffs** to demonstrate that such **Work** related
18 insurance has been procured and is in effect. The **Plaintiffs** and the **Settling Defendants** shall be named
19 as "Additional Named Insureds" with respect to such policies issued to, by or on behalf of the **Willits**
20 **Trust** and such policies issued to the **Willits Trust's** agents, contractors and consultants, including the
21 **Site Project Manager**. These policies shall be deemed primary policies for the purposes of this
22 provision.

23 G. Alternative Risk Management. In the event any of the insurance coverage required by this
24 Section IX or Section VI.A.6. of this Consent Decree is not obtainable from traditional domestic
25 underwriters, or is in the sole opinion and discretion of the **Trustee** is not obtainable in an acceptably
26 comprehensive form or at competitive rates from such underwriters, the **Willits Trust** shall be
27 authorized to undertake any appropriate risk management activities which the **Trustee** deems effective,
28 beneficial and in the best interest of the **Willits Trust** to acquire the required insurance coverage

1 including, without limitation, (i) obtaining such insurance coverage from alternative sources as it deems
2 appropriate so long as such alternative sources are sufficiently capitalized to reasonably accommodate
3 the risks to be insured; or, (ii) the formation and appropriate capitalization of an appropriately chartered
4 foreign or domestic captive insurance company.

5
6 **X**
DESIGNATION OF LEGAL COUNSEL

7 A. Willits Trust Remedial Counsel. Unless a contrary notification is made by the **Willits Trust**,
8 the **Willits Trust** shall retain counsel to act as the Remedial Counsel for the **Willits Trust**. Such
9 Remedial Counsel shall be fully authorized to make representations on behalf of the **Willits Trust** and
10 to coordinate communications between the **Willits Trust** and the **Site Project Manager** with respect
11 to all matters addressed in or arising under this Consent Decree, including, but not limited to, the **Work**.

12 B. Plaintiffs Remedial Counsel. Unless contrary notification to the Court is made by the
13 **Plaintiffs**, Aaron L. Bowers of the law firm of Isola ♦ Bowers located in Lodi, California shall serve as
14 the **Plaintiffs'** Remedial Counsel with respect to all matters addressed in or arising under this Consent
15 Decree.

16 C. Remedial Defendants Counsel. Unless a contrary notification is made by **Remedial**
17 **Defendants**, **Remedial Defendants** shall retain counsel to act as the **Remedial Defendants'** Counsel
18 for the **Remedial Defendants**. Such **Remedial Defendants'** Counsel shall serve as the counsel for the
19 **Remedial Defendants** with respect to all matters addressed in or arising under this Consent Decree.

20 D. Service on Counsel. For any matter related to, or arising under, this Consent Decree,
21 service upon the then-designated Remedial Counsel, **Plaintiffs'** Remedial Counsel or **Remedial**
22 **Defendants'** Counsel shall constitute fully effective service upon the **Plaintiffs**, **Remedial Defendants**
23 and the **Willits Trust**.

24 **XI**
LEAD PUBLIC AGENCY

25 A. Review and Comment Authority. The City of Willits Department of Public Works
26 ("DPW") is designated as the **Lead Public Agency** with respect to reviewing and commenting on all
27 aspects of the **Work** required to be performed by the **Willits Trust** pursuant to this Consent Decree.
28 Without limiting in any way the authority the DPW may validly exercise as a matter of state law, in

1 discharging its responsibilities as **Lead Public Agency**, the DPW shall have and may exercise through
2 its officer(s), agent(s), attorney(s), or employee(s) designated in writing to the Court, with service upon
3 **Plaintiffs'** and **Willits Trust's** Remedial Counsel, all powers and authorities vested in an On-Scene
4 Coordinator ("OSC") by or pursuant to the **NCP** or any regulation or guidance document duly issued
5 thereunder.

6 B. The **Willits Trust** shall reimburse the DPW in an amount to be negotiated by the **Plaintiffs**
7 and **Remedial Defendant** Whitman, with assistance from the Court as necessary, for the DPW's
8 activities in reviewing and commenting on the performance of the **Work** and in performing its role as
9 **Lead Public Agency** with regard to the **Site**.

10 C. Exercise of Authority. Nothing in this Consent Decree shall limit or restrict the valid
11 exercise by the DPW of any of its authorities pursuant and subject to applicable state and federal law,
12 with respect to either the investigation and appropriate abatement of **Hazardous Substances**
13 contamination at the **Site** or the recovery of any of its fees and costs related thereto.

14 D. Notice to RWQCB. Whenever notice is required to be provided or documents served
15 upon the **Lead Public Agency**, the party required to provide such notice or serve such documents shall
16 also concurrently provide notice to, or serve documents upon, the California Regional Water Quality
17 Control Board--North Coast Region ("RWQCB").

18 **XII**
19 **INVESTIGATION, MONITORING, AND**
20 **TESTING OF HAZARDOUS SUBSTANCES**

21 A. Work Plan. The **Willits Trust** shall prepare, or cause to be prepared, a work plan for
22 Environmental Investigation, Monitoring, and Testing of the **Hazardous Substances** in, at, around and
23 emanating from the **Site** (hereinafter "Work Plan"). The Work Plan shall require that a Remedial
24 Investigation, a Preliminary Endangerment Assessment, a Risk Assessment, and a Feasibility Study be
25 conducted; and, that a Treatability Study be conducted, if necessary and appropriate; and that a
26 **Proposed Remedial Action Plan** be developed. The Work Plan shall be developed consistent with the
27 **NCP**, and any valid and applicable requirements of the **Lead Public Agency**.

28 1. The Work Plan shall require the following:

a. Remedial Investigation. A Remedial Investigation shall be conducted to

1 fully characterize the nature and the lateral and vertical extent of the **Hazardous Substances** in, at,
2 around and emanating from the **Site**, in the soil, the soil vapor, and the groundwater, necessary to assess
3 the extent to which the release of these **Hazardous Substances** may present an endangerment to the
4 environment or health and to support the analysis and design of potential response actions as specified
5 in Section 300.430(d) of the **NCP**. The lateral and vertical extent of the **Hazardous Substances** in the
6 groundwater in, at, around and emanating from the **Site** shall, in all instances, be defined to the then
7 most sensitive, technically feasible method detection limit.

8 b. Preliminary Endangerment Assessment. A Preliminary Endangerment
9 Assessment shall be conducted using data generated during the Remedial Investigation to fully
10 characterize the current and potential threats to public health and the environment that may be posed by
11 the **Hazardous Substances** migrating to groundwater or surface water, releasing to air, leaching through
12 soil, remaining in the soil, or bio-accumulating in the food chain. The purpose of the Preliminary
13 Endangerment Assessment is to conduct immediate human health and ecological screening as specified
14 in Division 20, Chapter 6.8, Section 25319.5 of the California Health and Safety Code.

15 c. Risk Assessment. A Risk Assessment shall be conducted, using the data
16 generated during the Remedial Investigation, to fully characterize the current and potential threats to the
17 environment and health that may be posed by **Hazardous Substances** migrating to groundwater or
18 surface water, releasing to air, leaching through soil, remaining in the soil, or bio-accumulating in the
19 food chain, as specified in Section 300.430(d)(4) of the **NCP**.

20 d. Treatability Study. A Treatability Study shall be conducted, if necessary and
21 appropriate, to obtain sufficient data to enable potential treatment alternatives to be fully identified and
22 evaluated, to reduce the cost and performance uncertainties of treatment alternatives to acceptable levels
23 to enable a Proposed Remedial Action plan to be formulated, and to obtain sufficient data to support
24 remedial design, as specified in Section 300.430(d)(1) of the **NCP**.

25 e. Feasibility Study. A Feasibility Study shall be conducted using the data
26 generated during the Remedial Investigation and Risk Assessment and during the Treatability Study, if
27 a Treatability Study is conducted, to develop and analyze remedial alternatives, as specified in Section
28 300.430(e) of the **NCP**.

1 f. Letter Reports. Letter reports, containing all data generated within one
2 hundred twenty (120) days prior to the date of such letter reports and not previously reported in draft or
3 final reports of the Remedial Investigation, Risk Assessment, Feasibility Study, Treatability Study, or
4 other letter reports, shall be prepared every other month and submitted to **Plaintiffs** and the **Lead Public**
5 **Agency**, beginning on March 1, 1997.

6 g. Proposed Remedial Action Plan. A Proposed Remedial Action Plan shall be
7 prepared, based on the Remedial Investigation, Risk Assessment, Feasibility Study, and Treatability
8 Study, as specified in Section 300.430(f) of the **NCP**.

9 2. Additional Plans. The Work Plan shall require preparation of an appropriate Health
10 and Safety Plan; an appropriate Sampling and Analysis Plan ("SAP"), including an appropriate Quality
11 Assurance Project Plan ("QAPP"); an appropriate Community Relations Plan; and an appropriate
12 Investigation Derived Residuals ("IDR") Management Plan, consistent with the **NCP**.

13 3. Access Plan. The Work Plan shall include an Access Plan with which the **Site**
14 **Project Manager**, the **Site Technical Coordinator**, agents and other consultants shall comply. The
15 Access Plan shall describe the access to the **Site** which the **Plaintiffs** and the **Lead Public Agency** will
16 require to perform their rights and obligations under this Consent Decree.

17 4. Work Plan Preparation. The Work Plan shall be prepared as follows:

18 a. Submission to Plaintiffs the Lead Public Agency and Remedial
19 Defendants. The **Willits Trust** shall prepare a draft Work Plan and submit it to **Plaintiffs**, the **Lead**
20 **Public Agency** and **Remedial Defendants** for review and comment within one hundred twenty (120)
21 days of the date of entry of this Consent Decree. **Plaintiffs**, the **Lead Public Agency** and **Remedial**
22 **Defendants** shall have a period of thirty (30) days following submission of the draft Work Plan to
23 provide comments on the draft Work Plan to the **Willits Trust**. Within forty-five (45) days after
24 termination of the thirty (30) day comment period, the **Willits Trust** shall also prepare a Responsiveness
25 Summary that sets forth, with reasonable particularity, the nature of the comments or related group of
26 comments received and the response of the **Willits Trust** that shall include a succinct statement of the
27 rationale supporting the response. The **Plaintiffs**, the **Lead Public Agency**, **Remedial Defendants** and
28 the **Willits Trust** shall meet and confer in an attempt to informally resolve any disputes concerning the

1 draft Work Plan within twenty (20) days of receipt by the **Willits Trust** of comments from the
2 **Plaintiffs**, the **Lead Public Agency** or **Remedial Defendants** on the draft Work Plan pursuant to
3 Section XXII.A. of this Consent Decree. If the attempts at informal dispute resolution are not successful
4 **Plaintiffs**, and the **Lead Public Agency** or the **Remedial Defendants** may proceed with the formal
5 dispute resolution provisions in accord with Sections XXII and XXIII of this Consent Decree. The
6 **Plaintiffs**, the **Lead Public Agency** and **Remedial Defendants** may mutually agree in writing with the
7 **Willits Trust** to extend their respective time periods set forth in this Section.

8 b. Thirty Day Public Comment Period. The **Willits Trust** shall provide the
9 public with a reasonable opportunity for review and comment with respect to this Work Plan. Upon
10 completion of the review and comment period set forth in Section XII.A.4.a., the **Willits Trust** shall
11 issue a notice to the public stating that it has prepared the draft Work Plan, lodged it in the **Document**
12 **Depository**, and that the public may submit comments to the **Willits Trust** concerning the draft Work
13 Plan. The public shall have thirty (30) days following the issuance of the public notice to submit
14 comments to the **Willits Trust** in response to the public notice.

15 c. Preparation of Final Work Plan. After receipt and consideration of timely
16 comments on the draft Work Plan, the **Willits Trust** shall prepare a final Work Plan and submit it to
17 **Plaintiffs**, **Remedial Defendants** and the **Lead Public Agency** within sixty (60) days after the close
18 of the comment period. Within sixty (60) days after the close of the comment period, the **Willits Trust**
19 shall also issue notice to the public in accordance with Section XVII.E. that it has prepared the final
20 Work Plan. The **Willits Trust** shall also prepare a Responsiveness Summary that sets forth, with
21 reasonable particularity, the nature of the comments or related group of comments received and the
22 response of the **Willits Trust** that shall include a succinct statement of the rationale supporting the
23 response. This **Willits Trust** shall serve the Responsiveness Summary on **Plaintiffs**, **Remedial**
24 **Defendants** and the **Lead Public Agency** concurrently with the final Work Plan and shall place the
25 Responsiveness Summary in the **Document Depository** for review by the public and other interested
26 parties.

27 B. Remedial Investigation. The **Willits Trust** shall conduct a Remedial Investigation consistent
28 with the **NCP** and as specified in the Work Plan described in Section XII.A. of this Consent Decree.

1 The Remedial Investigation shall be conducted as follows:

2 1. Submission to Plaintiffs, the Lead Public Agency and Remedial Defendants

3 The **Willits Trust** shall conduct the Remedial Investigation, prepare a draft report of the
4 Remedial Investigation and submit it to **Plaintiffs, the Lead Public Agency and Remedial Defendants**
5 for review and comment by the date specified in the Work Plan. **Plaintiffs, the Lead Public Agency**
6 and **Remedial Defendants** shall have a period of thirty (30) days following submission of the draft
7 report of the Remedial Investigation to provide comments on the draft report of the Remedial
8 Investigation to the **Willits Trust**. Within thirty (30) days following termination of the thirty (30) day
9 comment period, the **Willits Trust** shall also prepare and serve on **Plaintiffs, the Lead Public Agency**
10 and **Remedial Defendants** a Responsiveness Summary that sets forth, with reasonable particularity, the
11 nature of the comments or related group of comments received and the response of the **Willits Trust**
12 that shall include a succinct statement of the rationale supporting the response. The **Plaintiffs, the Lead**
13 **Public Agency, Remedial Defendants** and the **Willits Trust** shall meet and confer in an attempt to
14 informally resolve any disputes concerning the draft report of the Remedial Investigation within fifteen
15 (15) days of **Willits Trust's** issuance of the Responsiveness Summary on the draft report of the
16 Remedial Investigation to **Plaintiffs, the Lead Public Agency and Remedial Defendants**, pursuant to
17 Section XXII.A. of this Consent Decree. If the attempts at informal dispute resolution are not successful,
18 **Plaintiffs, the Lead Public Agency and Remedial Defendants** may proceed with the formal dispute
19 resolution provisions in accord with Sections XXII and XXIII of this Consent Decree.

20 2. Thirty Day Public Comment Period. The **Willits Trust** shall provide the public
21 with a reasonable opportunity for review and comment with respect to this Remedial Investigation by
22 providing the following comment period. No later than the completion of the review and comment
23 period set forth in Section XII.B.1., the **Willits Trust** shall issue a notice to the public, in conformance
24 with Section XVII.E., that it has prepared the draft report, lodged it in the **Document Depository**, and
25 that the public may submit comments in a timely fashion to the **Willits Trust** concerning the draft
26 report. The public shall have thirty (30) days following the issuance of the public notice to submit
27 comments to the **Willits Trust** in response to the public notice.

28 3. Preparation of Final Remedial Investigation Report. After receipt and consideration

1 of timely comments on the draft report of the Remedial Investigation, the **Willits Trust** shall prepare
2 a final report of the Remedial Investigation, submit it to **Plaintiffs, Remedial Defendants** and the **Lead**
3 **Public Agency** within sixty five (65) days after the close of the comment period. The **Willits Trust**
4 shall also issue notice to the public, in accordance with Section XVII.E., that it has prepared the final
5 report of the Remedial Investigation within sixty five (65) days after the close of the comment period.
6 The **Willits Trust** shall also prepare a Responsiveness Summary that sets forth, with reasonable
7 particularity, the nature of the comments or related group of comments received and the response of the
8 **Willits Trust** that shall include a succinct statement of the rationale supporting the response. However,
9 the filing of a formal dispute, in accord with Section XII.B.1 of this Consent Decree, shall act to stay the
10 submittal of the final report of the Remedial Investigation, notice to the public of such submittal, and
11 the preparation of the Responsiveness Summary contemplated in this subsection, until such time as the
12 formal dispute is finally resolved. The **Willits Trust** shall serve the Responsiveness Summary on
13 **Plaintiffs, Remedial Defendants** and the **Lead Public Agency** concurrently with the draft report of the
14 Remedial Investigation and shall place the Responsiveness Summary in the **Document Depository** for
15 review by the public and other interested parties.

16 C. Preliminary Endangerment Assessment. The **Willits Trust** shall conduct a Preliminary
17 Endangerment Assessment consistent with Division 20, Chapter 6.8, Section 25319.5 of the California
18 Health and Safety Code, and as specified in the Work Plan described in Section XII.A. of this Consent
19 Decree. The Preliminary Endangerment Assessment shall be conducted as follows:

20 1. Submission to Plaintiffs, the Lead Public Agency and Remedial Defendants. The
21 **Willits Trust** shall conduct the Preliminary Endangerment Assessment, prepare a draft report of the
22 Preliminary Endangerment Assessment, and submit it to **Plaintiffs, the Lead Public Agency** and
23 **Remedial Defendants** for their review by the date specified in the Work Plan. **Plaintiffs, the Lead**
24 **Public Agency** and **Remedial Defendants** shall have a period of thirty (30) days following submission
25 of the draft report of the Remedial Investigation to provide comments on the draft report of the
26 Preliminary Endangerment Assessment to the **Willits Trust**. Within thirty (30) days following
27 termination of the thirty (30) day comment period, the **Willits Trust** shall also prepare a Responsiveness
28 Summary that sets forth, with reasonable particularity, the nature of the comments or related group of

1 comments received and the response of the **Willits Trust** that shall include a succinct statement of the
2 rationale supporting the response. The **Plaintiffs, the Lead Public Agency, Remedial Defendants** and
3 the **Willits Trust** shall meet and confer in an attempt to informally resolve any disputes concerning the
4 draft report of the Preliminary Endangerment Assessment within fifteen (15) days of **Willits Trust's**
5 issuance of the Responsiveness Summary on the draft report of the Preliminary Endangerment
6 Assessment to **Plaintiffs, the Lead Public Agency and Remedial Defendants**, pursuant to Section
7 XXII.A. of this Consent Decree. If the attempts at informal dispute resolution are not successful,
8 **Plaintiffs, the Lead Public Agency and Remedial Defendants** may proceed with the formal dispute
9 resolution provisions in accord with Sections XXII and XXIII of this Consent Decree.

10 2. Thirty Day Public Comment Period. The **Willits Trust** shall provide the public
11 with a reasonable opportunity for review and comment with respect to this Preliminary Endangerment
12 Assessment by providing the following comment period. No later than the completion of the review and
13 comment period set forth in Section XII.C.1., the **Willits Trust** shall issue a notice to the public, in
14 accordance with Section XVII.E., that it has prepared the draft report, lodged it in the **Document**
15 **Depository**, and that the public may submit comments in a timely fashion to the **Willits Trust**
16 concerning the draft report. The public shall have thirty (30) days following the issuance of the public
17 notice to submit comments to the **Willits Trust** in response to the public notice.

18 3. Preparation of Endangerment Assessment. After receipt of timely comments on the
19 draft report of the Preliminary Endangerment Assessment, the **Willits Trust** shall prepare a final report
20 of the Preliminary Endangerment Assessment, and submit it to **Plaintiffs, Remedial Defendants** and
21 the **Lead Public Agency** within sixty five (65) days after the close of the comment period. The **Willits**
22 **Trust** shall also issue notice to the public, in accordance with Section XVII.E., that it has prepared the
23 final report of the Preliminary Endangerment Assessment within sixty five (65) days after the close of
24 the comment period. The **Willits Trust** shall also prepare a Responsiveness Summary that sets forth,
25 with reasonable particularity, the nature of the comments or related group of comments received and the
26 response of the **Willits Trust** that shall include a succinct statement of the rationale supporting the
27 response. However, the filing of a formal dispute, in accord with Section XII.C.1 of this Consent
28 Decree, shall act to stay the submittal of the final report of the Preliminary Endangerment Assessment,

1 notice to the public of such submittal, and the preparation of the Responsiveness Summary contemplated
2 in this subsection, until such time as the formal dispute is finally resolved. The **Willits Trust** shall serve
3 the Responsiveness Summary on **Plaintiffs, Remedial Defendants** and the **Lead Public Agency**
4 concurrently with the final Work Plan and shall place the Responsiveness Summary in the **Document**
5 **Depository** for review by the public and other interested parties.

6 D. Risk Assessment. The **Willits Trust** shall conduct a Risk Assessment consistent with the
7 **NCP** and as specified in the Work Plan described in Section XII.A. of this Consent Decree. The Risk
8 Assessment shall be conducted as follows:

9 1. Submission to Plaintiffs, the Lead Public Agency and Remedial Defendants. The
10 **Willits Trust** shall conduct the Risk Assessment, prepare a draft report of the Risk Assessment, and
11 submit it to **Plaintiffs, the Lead Public Agency and Remedial Defendants** for review by the date
12 specified in the Work Plan. **Plaintiffs, the Lead Public Agency and Remedial Defendants** shall have
13 a period of thirty (30) days following submission of the draft report of the Risk Assessment to provide
14 comments on the draft report of the Risk Assessment to the **Willits Trust**. Within thirty (30) days
15 following termination of the thirty (30) day comment period, the **Willits Trust** shall also prepare and
16 serve on **Plaintiffs, the Lead Public Agency and Remedial Defendants** a Responsiveness Summary
17 that sets forth, with reasonable particularity, the nature of the comments or related group of comments
18 received and the response of the **Willits Trust** that shall include a succinct statement of the rationale
19 supporting the response. The **Plaintiffs, the Lead Public Agency, Remedial Defendants** and the
20 **Willits Trust** shall meet and confer in an attempt to informally resolve any disputes concerning the draft
21 report of the Risk Assessment within fifteen (15) days of **Willits Trust's** issuance of the Responsiveness
22 Summary on the draft report of the Risk Assessment to **Plaintiffs, the Lead Public Agency and**
23 **Remedial Defendants**, pursuant to Section XXII.A. of this Consent Decree. If the attempts at informal
24 dispute resolution are not successful, **Plaintiffs, the Lead Public Agency or Remedial Defendants** may
25 proceed with the formal dispute resolution provisions in accord with Sections XXII and XXIII of this
26 Consent Decree.

27 2. Thirty Day Public Comment Period. The **Willits Trust** shall provide the public
28 with a reasonable opportunity for review and comment with respect to this Risk Assessment by

1 providing the following comment periods. No later than the completion of the review and comment
2 period set forth in Section XII.D.1., the **Willits Trust** shall issue a notice, in accordance with Section
3 XVII.E., to the public that it has prepared the draft report, lodged it in the **Document Depository**, and
4 that the public may submit comments in a timely fashion to the **Willits Trust** concerning the draft
5 report. The public shall have thirty (30) days following the issuance of the public notice to submit
6 comments to the **Willits Trust** in response to the public notice.

7 3. Preparation of Risk Assessment. After receipt and consideration of timely comment
8 on the draft report of the Risk Assessment, the **Willits Trust** shall prepare a final report of the Risk
9 Assessment, submit it to **Plaintiffs, Remedial Defendants** and the **Lead Public Agency** within sixty
10 five (65) days after the close of the comment period. The **Willits Trust** shall also issue notice to the
11 public, in accordance with Section XVII.E., that it has prepared the final report of the Risk Assessment
12 within sixty five (65) days after the close of the comment period. The **Willits Trust** shall also prepare
13 a Responsiveness Summary that sets forth, with reasonable particularity, the nature of the comments or
14 related group of comments received and the response of the **Willits Trust** that shall include a succinct
15 statement of the rationale supporting the response. However, the filing of a formal dispute, in accord
16 with Section XII.D.1 of this Consent Decree, shall act to stay the submittal of the final report of the Risk
17 Assessment, notice to the public of such submittal, and the preparation of the Responsiveness Summary
18 contemplated in this subsection, until such time as the formal dispute is finally resolved. The **Willits**
19 **Trust** shall serve the Responsiveness Summary on **Plaintiffs, Remedial Defendants** and the **Lead**
20 **Public Agency** concurrently with the final report of the Risk Assessment and shall place the
21 Responsiveness Summary in the **Document Depository** for review by the public and other interested
22 parties.

23 E. Treatability Study. The **Willits Trust** shall conduct the Treatability Study, if necessary and
24 appropriate, consistent with the **NCP** and as specified in the Work Plan described in Section XII.A. of
25 this Consent Decree. The Treatability Study shall be conducted, if necessary and appropriate, as follows:

26 1. Submission to Plaintiffs, the Lead Public Agency and Remedial Defendants. The
27 **Willits Trust** shall conduct the Treatability Study, if necessary and appropriate, and prepare a draft
28 report of the Treatability Study and submit it to **Plaintiffs, the Lead Public Agency and Remedial**

1 **Defendants** for review by the date specified in the Work Plan. **Plaintiffs, the Lead Public Agency and**
2 **Remedial Defendants** shall have a period of thirty (30) days following submission of the draft report
3 of the Treatability Study to provide comments on the draft report of the Treatability Study to the **Willits**
4 **Trust**. Within thirty (30) days following termination of the thirty (30) day comment period, the **Willits**
5 **Trust** shall also prepare and serve on **Plaintiffs, the Lead Public Agency and Remedial Defendants**
6 a Responsiveness Summary that sets forth, with reasonable particularity, the nature of the comments or
7 related group of comments received and the response of the **Willits Trust** that shall include a succinct
8 statement of the rationale supporting the response. The **Plaintiffs, the Lead Public Agency, Remedial**
9 **Defendants** and the **Willits Trust** shall meet and confer in an attempt to informally resolve any disputes
10 concerning the draft report of the Treatability Study within fifteen (15) days of **Willits Trust's** issuance
11 of the Responsiveness Summary on the draft report of the Treatability Study to **Plaintiffs, the Lead**
12 **Public Agency and Remedial Defendants**, pursuant to Section XXII.A. of this Consent Decree. If the
13 attempts at informal dispute resolution are not successful, **Plaintiffs, the Lead Public Agency or**
14 **Remedial Defendants** may proceed with the formal dispute resolution provisions in accord with
15 Sections XXII and XXIII of this Consent Decree.

16 2. Thirty Day Public Comment Period. The **Willits Trust** shall provide the public
17 with a reasonable opportunity for review and comment with respect to this Treatability Study by
18 providing the following comment period. No later than the completion of the review and comment
19 period set forth in Section XII.E.1, the **Willits Trust** shall issue a notice, in accordance with Section
20 XVII.E., to the public that it has prepared the draft report, lodged it in the **Document Depository**, and
21 that the public may submit comments in a timely fashion to the **Willits Trust** concerning the draft
22 report. The public shall have thirty (30) days following the issuance of the public notice to submit
23 comments to the **Willits Trust** in response to the public notice.

24 3. Preparation of Final Treatability Study. After receipt and consideration of timely
25 comments on the draft report of the Treatability Study, the **Willits Trust** shall prepare a final report of
26 the Treatability Study, submit it to **Plaintiffs, Remedial Defendants** and the **Lead Public Agency**
27 within sixty five (65) days after the close of the comment period. The **Willits Trust** shall also issue
28 notice to the public, in accordance with Section XVII.E., that it has prepared the final report of the

1 Treatability Study within sixty five (65) days after the close of the comment period. The **Willits Trust**
2 shall also prepare a Responsiveness Summary that sets forth, with reasonable particularity, the nature
3 of the comments or related group of comments received and the response of the **Willits Trust** that shall
4 include a succinct statement of the rationale supporting the response. However, the filing of a formal
5 dispute, in accord with Section XII.E.1 of this Consent Decree, shall act to stay the submittal of the final
6 report of the Treatability Study, notice to the public of such submittal, and the preparation of the
7 Responsiveness Summary contemplated in this subsection, until such time as the formal dispute is
8 finally resolved. This **Willits Trust** shall serve the Responsiveness Summary on **Plaintiffs, Remedial**
9 **Defendants** and the **Lead Public Agency** concurrently with the final report on the Treatability Study
10 and shall place the Responsiveness Summary in the **Document Depository** for review by the public and
11 other interested parties.

12 F. Feasibility Study. The **Willits Trust** shall conduct a Feasibility Study consistent with the
13 **NCP** and as specified in the Work Plan described in Section XII.A. of this Consent Decree. The
14 Feasibility Study shall be conducted as follows:

15 1. Submission to Plaintiffs, the Lead Public Agency and Remedial Defendants. The
16 **Willits Trust** shall conduct the Feasibility Study, prepare a draft report of the Feasibility Study, and
17 submit it to Plaintiffs, the **Lead Public Agency** and **Remedial Defendants** for review by the date
18 specified in the Work Plan. **Plaintiffs, the Lead Public Agency and Remedial Defendants** shall have
19 a period of thirty (30) days following submission of the draft report of the Feasibility Study to provide
20 comments on the draft report of the Feasibility Study to the **Willits Trust**. Within thirty (30) days
21 following termination of the thirty (30) comment period, the **Willits Trust** shall also prepare and serve
22 on **Plaintiffs, the Lead Public Agency and Remedial Defendants** a Responsiveness Summary that sets
23 forth, with reasonable particularity, the nature of the comments or related group of comments received
24 and the response of the **Willits Trust** that shall include a succinct statement of the rationale supporting
25 the response. The **Plaintiffs, the Lead Public Agency, Remedial Defendants** and the **Willits Trust**
26 shall meet and confer in an attempt to informally resolve any disputes concerning the draft report of the
27 Feasibility Study within fifteen (15) days of **Willits Trust's** issuance of the Responsiveness Summary
28 on the draft report of the Feasibility Study to **Plaintiffs, the Lead Public Agency and Remedial**

1 **Defendants**, pursuant to Section XXII.A. of this Consent Decree. If the attempts at informal dispute
2 resolution are not successful, **Plaintiffs**, the **Lead Public Agency** or **Remedial Defendants** may
3 proceed with the formal dispute resolution provisions in accordance with Sections XXII and XXIII of
4 this Consent Decree.

5 2. Thirty Day Public Comment Period. The **Willits Trust** shall provide the public
6 with a reasonable opportunity for review and comment with respect to this Feasibility Study by
7 providing the following comment period. No later than the completion of the review and comment
8 period set forth in Section XII.F.1., the **Willits Trust**, shall issue a notice to the public, in accordance
9 with Section XVII.E., that it has prepared the draft report, lodged it in the **Document Depository**, and
10 that the public may submit comments in a timely fashion to the **Willits Trust** concerning the draft study.
11 The public shall have thirty (30) days following the issuance of the public notice to submit comments
12 to the **Willits Trust** in response to the public notice.

13 3. Preparation of Final Feasibility Study. After receipt and consideration of timely
14 comments on the draft report of the Feasibility Study, the **Willits Trust** shall prepare a final report of
15 the Feasibility Study, submit it to **Plaintiffs**, **Remedial Defendants** and the **Lead Public Agency** within
16 sixty-five (65) days after the close of the comment period. The **Willits Trust** shall also issue notice to
17 the public, in accordance with Section XVII.E., that it has prepared the final report of the Feasibility
18 Study within sixty-five (65) days after the close of the comment period. The **Willits Trust** shall also
19 prepare a Responsiveness Summary that sets forth, with reasonable particularity, the nature of the
20 comments or related group of comments received and the response of the **Willits Trust** that shall include
21 a succinct statement of the rationale supporting the response. However, the filing of a formal dispute,
22 in accord with Section XII.F.1 of this Consent Decree, shall act to stay the submittal of the final report
23 of the Feasibility Study, notice to the public of such submittal, and the preparation of the Responsiveness
24 Summary contemplated in this subsection, until such time as the formal dispute is finally resolved. The
25 **Willits Trust** shall serve the Responsiveness Summary on **Plaintiffs**, **Remedial Defendants** and the
26 **Lead Public Agency** concurrently with the final report on the Feasibility Study and shall place the
27 Responsiveness Summary in the **Document Depository** for review by the public and other interested
28 parties.

1 G. ARARs. The **Settling Parties** agree and the Court hereby finds, orders, adjudges and
2 decrees that any proposed Interim Removal or Remedial Action Plan or proposed Final Remedial Action
3 Plan at the **Site** shall set forth in detail all of the applicable, relevant and appropriate standards,
4 requirements, criteria, or limitations under federal, state, and local environmental laws (“ARARs”), all
5 cleanup goals, certain and contingent, proposed as requirements to appropriately respond to the
6 **Hazardous Substance** contamination at and emanating from the **Site** consistent and in full compliance
7 with the requirements of **CERCLA, RCRA, the NCP**, and any applicable state and local requirements
8 which are not preempted by applicable federal law.

9 II. Letter Reports. At least once a quarter, the **Willits Trust** shall prepare letter reports of any
10 and all data collected in the course of the Remedial Investigation, the Risk Assessment, the Feasibility
11 Study, and the Treatability Study as specified in the Work Plan described in Section XII.A. of this
12 Consent Decree. The quarterly reports shall be filed with the Special Master and served on **Plaintiffs,**
13 **the Lead Public Agency** and **Remedial Defendants.** The quarterly reports shall contain any and all
14 data generated in the course of the Remedial Investigation, Risk Assessment, Feasibility Study, and
15 Treatability Study within one hundred twenty (120) days prior to the date of such letter reports and not
16 previously reported in draft or final reports of the Remedial Investigation, Risk Assessment, Feasibility
17 Study, Treatability Study, or other letter reports. **Plaintiffs, the Lead Public Agency** and **Remedial**
18 **Defendants** shall have twenty (20) days from the date of service of the quarterly report to provide the
19 **Willits Trust** with any comments on the quarterly report.

20 I. Proposed Remedial Action Plan. The **Willits Trust** shall prepare a **Proposed Remedial**
21 **Action Plan** consistent with the **NCP** and as specified in the Work Plan described in Section XII.A. of
22 this Consent Decree.

23 1. Submission to Plaintiffs, Defendants and Lead Public Agency. The **Willits Trust**
24 shall prepare a **Proposed Remedial Action Plan** and submit it to **Plaintiffs, Remedial Defendants** and
25 **the Lead Public Agency** by the date specified in the Work Plan.

26 2. Document Depository. Concurrent with the submission of the **Proposed Remedial**
27 **Action Plan** to **Plaintiffs, Remedial Defendants** and the **Lead Public Agency**, the **Willits Trust** shall
28 place the **Proposed Remedial Action Plan** in the **Document Depository.**

XIII
IMPLEMENTATION OF INTERIM AND FINAL REMEDIAL ACTION

A. Interim Remedial Action.

1. Interim Removal or Remedial Action. At any time prior to the lodging with this Court of the **Proposed Remedial Action Plan** required by Section XII.I. of this Consent Decree, **Plaintiffs, the Lead Public Agency, or the Willits Trust** may propose the performance by the **Willits Trust**, at the **Willits Trust's Sole Cost**, and in a timely manner, an appropriate interim **Removal or Remedial Action** in addition to the interim remedial action required pursuant to Section XIII.A.1. of this Consent Decree.

2. Tender of Detailed Interim Plan. The proposing party shall tender to the **Willits Trust, the Plaintiffs, Remedial Defendants** and the **Lead Public Agency** a detailed plan setting forth the scope and nature of the interim **Removal or Remedial Actions** proposed, the time frame or time frames proposed for the implementation of such interim **Removal or Remedial Actions**, and a schedule of the estimated costs and materials involved.

3. Consistency of Interim Plan. Any proposed interim **Removal or Remedial Action** ultimately selected by the **Willits Trust** or pursuant to further Order of this Court in accordance with the dispute resolution provisions in Section XXII and XXIII of this Consent Decree, must be consistent with the **NCP**, appropriate to the conditions at and emanating from the **Site**, and likely to be consistent with the final **Remedial Action** selected and implemented at the **Site**.

4. Objections to Interim Plan. Unless an Order has been first obtained in accordance with the dispute resolution provisions set forth in Sections XXII and XXIII of this Consent Decree, the **Willits Trust, Plaintiffs, the Lead Public Agency or Remedial Defendants** shall have forty-five (45) days within which to file a formal petition for Dispute Resolution concerning the proposed Interim **Removal or Remedial Action** which shall be resolved pursuant to the dispute resolution provisions of Sections XXII and XXIII of this Consent Decree.

5. Performance of Interim Actions. If a formal dispute resolution petition is not filed during the forty-five (45) day period or if in accordance with formal dispute resolution hereunder an Order of this Court is issued requiring an Interim **Removal or Remedial Action**, the **Willits Trust** shall, at its **Sole Cost**, completely, timely and cost-effectively perform any such proposed interim **Removal**

1 or **Remedial Action**.

2 B. Final Remedial Action.

3 At its **Sole Cost** and in compliance with the requirements of this Section XIII.B., the
4 **Willits Trust** shall: (i) select a cost-effective, final **Remedial Action** (as specified in Section XII of this
5 Consent Decree) that complies with **CERCLA, RCRA**, that is consistent with the **NCP**, and in
6 compliance with any applicable state and local requirements which do not conflict with the requirements
7 of federal law or this Consent Decree; (ii) undertake and complete the actual design of the final
8 **Remedial Action** (hereinafter "Remedial Design") in compliance with **CERCLA, RCRA** and
9 consistent with the **NCP**, and in compliance with any applicable state and local requirements which do
10 not conflict with the requirements of federal law or this Consent Decree; and, (iii) undertake and
11 complete the implementation of the final **Remedial Action** as set forth in the **RAP** in compliance with
12 **CERCLA, RCRA**, consistent with the **NCP**, and in compliance with any applicable state and local
13 requirements which do not conflict with the requirements of applicable federal law and this Consent
14 Decree.

15 1. Selection of the Final Remedial Action. To select the final **Remedial Action**, the
16 **Willits Trust** shall, at its **Sole Cost**, undertake the following.

17 a. Meet and Confer. Within ten (10) days of the date that the **Proposed**
18 **Remedial Action Plan** is served on **Plaintiffs** and the Remedial Defendants in accord with Section
19 XII.I. and Section XVII of this Consent Decree, **Plaintiffs** or **Remedial Defendants** may request, in
20 writing, a meet and confer process which must commence within the ten (10) day period. Meet and
21 confer sessions may continue throughout the forty (40) day public comment period set forth at Section
22 XIII.B.1.b.

23 b. Public Comment Period. Within ten (10) days of the date the **Proposed**
24 **Remedial Action Plan** is placed in the **Document Depository**, the **Willits Trust** shall publish a notice
25 to the public, consistent with Section XVII.E. of this Consent Decree, of the availability and brief
26 analysis of the **Proposed Remedial Action Plan**, the lodging of the **Proposed Remedial Action Plan**
27 in the **Document Depository**, and the commencement of a forty (40) day public comment period for the
28 submission of written comments on the **Proposed Remedial Action Plan**.

1 c. Public Meetings. The **Willits Trust** shall provide opportunity for one or
2 more public meetings concerning the **Proposed Remedial Action Plan**, upon request of **Plaintiffs**,
3 **Remedial Defendants**, the **Lead Public Agency** or the **Willits Trust** if the **Trustee**, in its sole
4 discretion, determines that there is sufficient public interest to warrant a meeting, to be held during the
5 public comment period at or near the **Site** at least ten (10) days prior to the expiration of the public
6 comment period required by Section XIII.B.1.b. of this Consent Decree. The public shall be provided
7 with proper notice of any public meeting in accordance with Section XVII.E. of this Consent Decree.
8 **Plaintiffs**, the **Lead Public Agency**, **Remedial Defendants** and appropriate representative(s) of the
9 **Willits Trust** designated by the **Trustee** shall attend this public meeting, either in person, by counsel,
10 or both, with an appropriate technical representative or representatives, and shall make their position(s)
11 regarding the proposed plan available to the public. The **Willits Trust** shall keep a transcript of the
12 public meeting, which shall be made available to the public and lodged in the **Document Depository**.

13 d. Responsiveness Summary. The **Willits Trust** shall prepare a
14 Responsiveness Summary, which shall include a written summary of significant comments, criticisms
15 and new relevant information submitted by any member of the public, by the **Lead Public Agency**, and
16 by any **Settling Party** during the comment period and their response to any issue raised by significant
17 comments, criticisms, or new relevant information, within thirty (30) days of the date the public
18 comment period closes. This Responsiveness Summary shall be made available to the public, served
19 on the **Plaintiffs**, **Remedial Defendants** and the **Lead Public Agency**, and placed in the **Document**
20 **Depository** within thirty (30) days of the date the public comment period closes.

21 e. Meet and Confer. Within ten (10) days of the date that the Responsiveness
22 Summary is served on **Plaintiffs**, the **Remedial Defendants** and the **Lead Public Agency** in accord with
23 Section XIII.B.1.d. and Section XVII of this Consent Decree, **Plaintiffs** or **Remedial Defendants** may
24 request, in writing, a meet and confer process concerning the selection of the final **Remedial Action**
25 **Plan** which must commence within the ten (10) day period.

26 f. Explanation of Significant Differences. If comments or new information
27 received during the comment period change the basic features of the **Proposed Remedial Action Plan**
28 with respect to scope, performance, or costs so that the final **Remedial Action Plan** which the **Willits**

1 **Trust** proposes to finally select differs from the **Proposed Remedial Action Plan**, the **Willits Trust**
2 shall prepare a detailed explanation of significant differences (“ESD”) between the final and the
3 **Proposed Remedial Action Plans** and the reasons for such differences, lodge such an explanation in
4 the **Document Depository**, and serve a copy of the ESD upon the **Plaintiffs, Remedial Defendants** and
5 the **Lead Public Agency**. Within ten (10) days of the date the ESD is served on **Plaintiffs, Remedia**
6 **Defendants** and the **Lead Public Agency**, the **Willits Trust** shall also give notice to the public, in
7 accordance with Section XVII.E. of this Consent Decree, of the availability of the ESD and of the
8 commencement of an additional thirty (30) day period for the public to comment on the proposed
9 revisions. The **Willits Trust** shall not be required to commence the additional public comment period
10 required by Section XIII.B.1.b. of this Consent Decree if it reasonably determines, as reflected in a
11 written notice served on **Plaintiffs, Remedial Defendants** and the **Lead Public Agency**, that the
12 changes to their **Proposed Remedial Action Plan** could be reasonably anticipated by the public based
13 upon the alternatives and other information available in the original proposed plan or the supporting
14 analysis and information.

15 g. Agreement on Final Remedial Action Plan If the **Plaintiffs, Remedia**
16 **Defendants** and the **Willits Trust** agree on a proposed final **Remedial Action Plan**, which they are able
17 to jointly represent to the Court is in compliance with **CERCLA, RCRA**, consistent with the **NCP**, and
18 in compliance with any applicable state and local requirements that do not conflict with the requirements
19 of applicable federal law or this Consent Decree, the **Willits Trust** shall file a notice of selection of the
20 final **Remedial Action Plan** with the Court, served on **Plaintiffs, Remedial Defendants** and on the
21 **Lead Public Agency**, and lodge such notice of selection in the **Document Depository**. Such notice of
22 selection shall be accompanied by a complete copy of the proposed final **Remedial Action Plan**, a copy
23 of all Responsiveness Summaries, and a declaration from the **Willits Trust’s** Remedial Counsel that the
24 Responsiveness Summary or Summaries accurately reflect all significant comments received from the
25 public, the **Lead Public Agency**, and the **Settling Parties**.

26 h. Dispute Resolution Concerning Final Remedial Action Plan. If the **Plaintiffs,**
27 **Remedial Defendants** and the **Willits Trust** are unable to reach agreement on a proposed final
28 **Remedial Action Plan, Plaintiffs, Remedial Defendants** or the **Lead Public Agency** shall have thirty

1 (30) days from the date of the publication of the final Responsiveness Summary which Section
2 XIII.B.1.d. of this Consent Decree requires, in which to file a formal, written dispute resolution petition
3 in accordance with Sections XXII and XXIII of this Consent Decree, served on the **Willits Trust**,
4 **Plaintiffs, Remedial Defendants** and on the **Lead Public Agency**. Any such dispute resolution petition
5 shall set forth in detail the bases and reasoning upon which the party disputes the proposed final
6 **Remedial Action Plan** and shall be accompanied by a complete copy of the proposed final **Remedial**
7 **Action Plan**, a copy of all Responsiveness Summaries, copies of all comments received from the public,
8 the **Lead Public Agency**, the **Plaintiffs** and **Remedial Defendants**. The dispute resolution shall be
9 proceed according to and be governed in full by the dispute resolution provisions set forth in Sections
10 XXII and XXIII of this Consent Decree. However, no summary or abbreviated dispute resolution
11 proceeding shall be allowed except upon written agreement of the parties and the **Willits Trust**. If the
12 **Plaintiffs** or the **Remedial Defendants** fail to timely file a petition for dispute resolution in accordance
13 with this Section XIII.B.1.h., then no part of the final or amended final **Remedial Action Plan** shall be
14 thereafter subject to dispute resolution or challenge by the parties under this Consent Decree or in any
15 other action and the final **Remedial Action Plan** shall be presumed conclusively to be compliant with
16 the terms and conditions of this Consent Decree.

17 2. Remedial Design. After selection of the final **Remedial Action Plan** and a final
18 **Remedial Action**, whether by agreement or Order of the Court pursuant to the dispute resolution
19 provisions set forth in Sections XXII and XXIII of this Consent Decree, the **Willits Trust** shall
20 undertake and complete the actual design of the final **Remedial Action** by completing plans and
21 specifications for the implementation of the final **Remedial Action**. The **Willits Trust** shall undertake
22 the following:

23 a. Design Submission. The **Willits Trust** shall submit plans and specifications
24 for the implementation of the final **Remedial Action** to **Plaintiffs, Remedial Defendants** and the **Lead**
25 **Public Agency** within thirty (30) days of the date of service of the final **Remedial Action Plan** and
26 selection of a final **Remedial Action** whether by agreement or Order of the Court pursuant to the dispute
27 resolution provisions of Sections XXII and XXIII of this Consent Decree.

28 b. Meet and Confer. The **Willits Trust** shall complete any meet and confer with

1 **Plaintiffs, Remedial Defendants** and the **Lead Public Agency**, which may be requested in writing
2 concerning the preparation of plans and specifications for the implementation of the final **Remedia**
3 **Action**, within thirty (30) days of the date the **Willits Trust** submits the plans and specifications to
4 **Plaintiffs, Remedial Defendants** and the **Lead Public Agency**.

5 c. Design Approval. If, after the meet and confer period provided for in Section
6 XIII.B.2.b. of this Consent Decree, the **Willits Trust, Plaintiffs, Remedial Defendants** and the **Lead**
7 **Public Agency** agree that the **Remedial Design** is consistent with, and does not differ significantly from,
8 the final **Remedial Action Plan**, and further agree that such design is in compliance with **CERCLA,**
9 **RCRA**, and any applicable state or local laws, rules or ordinances which do not conflict with federal
10 laws and regulations or this Consent Decree, and is consistent with the **NCP**, the **Willits Trust** shall
11 place a true and accurate copy of the design in the **Document Depository**. The **Willits Trust** shall then
12 proceed to implement the final **Remedial Action** in accordance with the remedial design pursuant to this
13 Consent Decree.

14 d. Explanation of Significant Differences. If the design plans and specifications
15 for the implementation of a final **Remedial Action** provide for a final **Remedial Action** that differs
16 significantly from the final **Remedial Action** with respect to scope, performance, or cost but does not
17 fundamentally alter the final **Remedial Action** selected by the **Willits Trust** or pursuant to further Order
18 of this Court in accordance with the dispute resolution provisions set forth in Sections XXII and XXIII
19 of this Consent Decree, the **Willits Trust** shall prepare a detailed ESD between the approved **Remedial**
20 **Action** and the proposed Remedial Design and the reasons for such differences, lodge such an
21 explanation in the **Document Depository**, and serve a copy of the ESD on the **Settling Parties,**
22 **Remedial Defendants** and the **Lead Public Agency**.

23 e. Forty-Five Day Plaintiff, Defendant and Agency Comment Period.
24 **Plaintiffs, Remedial Defendants** and the **Lead Public Agency** shall have with forty-five (45) days
25 following the submission of the ESD to submit written comments thereon to the **Willits Trust**.

26 f. Public Comment Period. In accordance with Section XVII.E. of this Consent
27 Decree, and within ten (10) days of the date of the submission of the ESD to **Plaintiffs, Remedial**
28 **Defendants** and the **Lead Public Agency**, the **Willits Trust** shall publish a notice to the public of the

1 ESD between the original approved **Remedial Action** and the proposed amendment(s) to the fina
2 **Remedial Action** necessitated by the ultimate design, of the availability for comment thereon, of the
3 lodging of the proposed amendment(s) to the final **Remedial Action** in the **Document Depository**, and
4 of the commencement of a thirty (30) day public comment period, designed to end concurrently with the
5 comment period provided in Section XIII.B.2.e., for the submission of written comments on the
6 proposed amendment to the final **Remedial Action** necessitated by the ultimate design.

7 g. Public Meeting. Upon the request of the **Plaintiffs, Remedial Defendants**
8 the **Lead Public Agency**, and in the event the **Trustee** determines, in its sole discretion, that sufficient
9 public interest exists so as to warrant a public meeting, the **Willits Trust** shall provide the opportunity
10 for a public meeting to be held regarding the amendment to the final **Remedial Action**, the supporting
11 analysis and information during the public comment period, located at or near the **Site**, at least ten (10)
12 days prior to the expiration of the public comment period required by Section XIII.B.2.f. of this Consent
13 Decree. **Plaintiffs, Remedial Defendants** and the **Willits Trust** shall attend this public meeting, either
14 in person, by counsel, or both, with an appropriate technical representative or representatives, and shall
15 make their position(s) regarding the proposed amendment to the final **Remedial Action** available to the
16 public. The **Willits Trust** shall keep a transcript of the public meeting, which shall be made available
17 to the public and lodged in the **Document Depository**.

18 h. Responsiveness Summary. The **Willits Trust** shall prepare a
19 Responsiveness Summary, which shall include a written summary of significant comments, criticisms,
20 and new relevant information timely submitted by any member of the public, by the **Lead Public**
21 **Agency**, the **Plaintiffs** or **Remedial Defendants** during the comment period, and their response to all
22 issues raised by those timely submitted comments, criticisms, or new relevant information within fifteen
23 (15) days of the date the public comment period closes and serve the Responsiveness Summary on
24 **Plaintiffs, Remedial Defendants** and the **Lead Public Agency** and lodge the same in the **Document**
25 **Depository**.

26 i. Amendment of Final Remedial Action. Based upon the responsiveness
27 summary, the **Willits Trust** shall as necessary and appropriate, in the **Trustee's** sole discretion, amend
28 the Final Remedial Action. The **Willits Trust** shall serve any such Amended Final Remedial Plan on

1 attorney work product protection, time, and location. **Plaintiffs** shall not unreasonably interfere with
2 the **Willits Trust's** performance of the **Work**.

3 D. Reimbursement of Oversight, Monitoring and Review Fees and Costs. The **Willits Trust**
4 shall reimburse **Plaintiffs** in an amount to be negotiated by the **Plaintiffs** and **Remedial Defendant**
5 Whitman, with assistance from the Court as necessary, for all oversight, review, monitoring, or
6 commenting authorized by this Consent Decree and for participating in all phases of the remedy
7 selection process set forth in Sections XII and XIII of this Consent Decree, including, but not limited
8 to, technical, legal, and allocated internal administrative costs directly related to such oversight,
9 monitoring, or commenting or to participation in the remedy selection process but specifically excluding
10 any internal fixed overhead costs such as equipment, real estate and utilities. The **Willits Trust** shall
11 also reimburse **Plaintiffs** in an amount to be negotiated by the **Plaintiffs** and **Remedial Defendant**
12 Whitman, with assistance from the Court as necessary, for observing, inspecting, and reviewing the
13 **Work** required to be performed by the **Willits Trust** under this Consent Decree. **Plaintiffs** shall provide
14 to the **Willits Trust** monthly statements of the oversight, review and monitoring fees and costs incurred,
15 and shall endeavor, to the extent reasonably practicable, to provide the statement within forty-five (45)
16 days following the end of the month in which such fees or costs were incurred. Any disputes regarding
17 payment of such fees and costs shall be governed by Sections XXII and XXIII of this Consent Decree.

18 **XVI**
19 **IMPLEMENTATION AND MAINTENANCE OF COMPUTERIZED PROJECT**
20 **OVERSIGHT & MONITORING MANAGEMENT SYSTEM**

21 A. Implementation of System. The **Settling Parties** acknowledge the need to: (1) expeditiously
22 and cost-effectively manage the extensive document and data collection generated in the course of the
23 **Work** required by this Consent Decree; (2) efficiently disseminate the voluminous reports,
24 correspondence and pleadings generated in the course of such a cleanup; and, (3) to effect the most
25 optimum, timely, cost-effective and efficient remediation of the **Site**. Accordingly, this Court hereby
26 finds, orders, adjudges and decrees that the **Willits Trust** shall implement, operate and maintain, at its
27 **Sole Cost**, a computerized Project Management Oversight & Monitoring System on the following terms,
28 unless the **Trustee**, in its sole discretion, determines that funds are otherwise immediately necessary for
the operation of the **Willits Trust** and the implementation of the other obligations of the **Willits Trust**

1 under this Consent Decree.

2 1. Acquisition of Equipment and Software. At its **Sole Cost**, the **Willits Trust** shall
3 acquire and implement a single, consolidated and coordinated computerized project management
4 oversight and monitoring system (hereinafter the "System") which is capable of efficiently and
5 effectively addressing the document management, control and organizational requirements presented
6 by the large document collection in this matter while maintaining the security necessary for the **Settling**
7 **Parties** to conduct such confidential work as may be required. The System shall be comprised of a
8 product known as Litigator's Notebook or equivalent software working in conjunction with Lotus Notes
9 or equivalent software which shall satisfy the criteria required by this paragraph 1. Unless the **Trustee**,
10 in its sole discretion, determines that fund are otherwise immediately necessary for the operation of the
11 **Willits Trust** and the implementation of the other obligations of the **Willits Trust** under this Consent
12 Decree, the **Willits Trust** shall submit to **Plaintiffs** its proposal for the System's hardware and software
13 components necessary to achieve the criteria required by this paragraph 1 within ninety (90) days of the
14 effective date of this Consent Decree. Selection of the specific models and brands of software and
15 equipment shall be at the sole discretion of the **Willits Trust**, so long as the software and equipment
16 reasonably satisfy the requirements of this Section XVI. The equipment required to implement the
17 System shall include, without limitation, document scanners, laser printers, modems, desktop personal
18 computers, portable "laptop" computers, "docking stations," and such other equipment as necessary or
19 advisable to effectively and efficiently implement the System in the sole discretion of the **Willits Trust**.
20 The equipment and software comprising the System, regardless of its physical location, shall remain the
21 sole property of the **Willits Trust**, which may adjust its allocation of equipment as it deems necessary
22 and appropriate from time to time. The **Willits Trust**, in the **Trustee's** sole discretion, shall acquire and
23 implement the System as soon as practicable subject to the available **Corpus of the Willits Trust**
24 without unreasonably interfering or impeding the operation of the **Willits Trust** and implementation of
25 the obligations imposed on the **Willits Trust** by this Consent Decree.

26 2. Documents to be Included. The **Willits Trust** shall provide for inclusion on the
27 System all documents relevant to the **Work** to be performed pursuant to this Consent Decree, except
28 those documents which are subject to attorney/client privilege, attorney work product protection or other

1 Consent Decree, a report or other document is required to be forwarded by one **Settling Party** to another
2 **Settling Party**, the **Settling Parties**, the **Willits Trust**, or the **Lead Public Agency**, it shall be directed
3 to all the legal counsel designated in Section X of this Consent Decree and to the following individuals
4 at the addresses identified below:

5 1. As to **Plaintiffs**:

6 a. Aaron L. Bowers, Esq.
7 Isola * Bowers
8 701 South Ham Lane - Second Floor
9 Lodi, California 95242
10 Telephone: (209) 367-7055
11 Telecopier: (209) 367-7056

12 b. Ross Walker, Esq.
13 City Attorney, City of Willits, California
14 201 North State Street
15 Ukiah, California 95482
16 Telephone: (707) 462-9676
17 Telecopier: (707) 462-1999

18 2. As to the **Willits Trust**:

19 Anne M. Farr, PhD
20 5856 Granite Hills Drive
21 Granite Bay California 95746
22 Telephone: (916) 781-9327
23 Telecopier: (916) 781-9357

24 3. As to the **Lead Public Agency**:

25 a. David Madrigal, Public Works Director
26 City of Willits
27 111 East Commercial
28 Willits, California 95490
Telephone: (707) 459-4601
Telecopier: (707) 459-1562

29 4. As to the **RWQCB**:

30 a. Janice Goebel
31 State of California Regional Water Quality Control Board-
32 North Coast Region
33 5550 Skylane Boulevard, Suite A
34 Santa Rosa, California 95403
35 Telephone: (707) 576-2676
36 Telecopier: (707) 523-0135

37 ///

38 b. Philip G. Wyels, Esq.
Staff Counsel

1 California State Water Resources Control Board
2 901 "P" Street
3 Sacramento, California 95814
4 Telephone: (916) 657-2424
5 Facsimile: (916) 653-0428

6 5. As to Defendants Pneumo Abex and Whitman:

7 a. Barbara B. Guibord, Esq.
8 Zevnik, Horton Guibord & McGovern
9 33rd Floor
10 77 West Wacker Drive
11 Chicago, Illinois 60601
12 Telephone: (312) 977-2500
13 Facsimile: (312) 977-2560

14 b. Barry F. Schwartz, Esq.
15 General Counsel
16 Mafco Consolidated Group, Inc.
17 35 East 62nd Street
18 New York, New York 10021

19 6. As to Defendant Remco:

20 As directed by the Court.

21 E. Publication. The **Settling Parties** agree, and the Court hereby finds, orders, adjudges and
22 decrees, that publication of public notice as required pursuant to this Consent Decree shall, unless
23 otherwise stated in an Order by the Court, be effective upon publication of legal notice in the San
24 Francisco Chronicle and the Willits News for a seven (7) consecutive day period. Proof of such
25 publication shall be lodged in the Document Depository. Unless set forth to the contrary by an Order
26 of the Court, costs of such publication shall be borne by the **Willits Trust**.

27 **XVIII**
28 **RELATIONSHIP TO APPLICABLE**
FEDERAL, STATE AND LOCAL LAWS

A. Compliance with the Law. In performing the **Work** under, and performing all obligations
imposed by this Consent Decree, the **Willits Trust**, and its employees, agents, contractors, and
consultants, shall comply with all applicable federal laws and regulations, and with all valid and
applicable state and local regulations which are not inconsistent with **CERCLA**, **RCRA**, the **NCP**,
including all Orders of this Court adopted, and plans and schedules approved, pursuant to such Orders
of this Court.

B. State and Local Law. Neither the execution of this Consent Decree by any **Settling Party**

1 pursuant to this Consent Decree or any order issued or plan adopted pursuant to it; or (b) performing
2 overseeing or monitoring the performance of the **Work** are “necessary” and “consistent with the **NCP**”
3 as that phrase is defined in Section 300.700(c)(3)(i) of the **NCP**.

4 B. Challenging Costs as Inconsistent. No **Settling Party** or the **Willits Trust** may challenge
5 in this or any other action, the necessity of any necessary and proper costs incurred in undertaking the
6 activities authorized or required pursuant to this Consent Decree or any order issued or plan or schedule
7 adopted pursuant to it, or in connection with the **Work** or the determination pursuant to the requirements
8 of this Consent Decree that these costs are consistent with the **NCP**.

9
10 **XX**
EFFECT OF SUBSEQUENTLY
ENACTED OR PROMULGATED LAW

11 If any **Settling Party** or the **Willits Trust** asserts that a subsequent enactment,
12 amendment, or promulgation of any federal or state statute or regulation is applicable to the **Work** and
13 would render performance of the **Work** required by this Consent Decree illegal or unnecessary, the
14 **Settling Party** or the **Willits Trust** may seek appropriate modification of any affected obligation(s) of
15 that **Settling Party** or the **Willits Trust** pursuant to this Consent Decree by filing a formal petition of
16 dispute resolution in accordance with and which will be decided in accordance with Sections XXII and
17 XXIII of this Consent Decree. If any **Settling Party** or the **Willits Trust** asserts that a provision of the
18 **NCP** is inapplicable to the **Work**, that **Settling Party** or the **Willits Trust** may also seek appropriate
19 modification to any affected obligation(s) of that **Settling Party** or the **Willits Trust** pursuant to this
20 Consent Decree by filing a formal petition of dispute resolution in accordance with and which will be
21 decided in accordance with Sections XXII and XXIII of this Consent Decree. In the event that any
22 **Settling Party** or the **Willits Trust** seeks a modification of this Consent Decree pursuant to this Section,
23 the **Work** shall continue and the **Willits Trust** shall continue to perform the **Work** as required by this
24 Consent Decree until such requirements are modified by further Order of this Court or unless such
25 continuance would constitute a clear violation of valid and applicable law.

26 **XXI**
IMPOSSIBILITY OF PERFORMANCE OR “FORCE MAJEURE”

27 A. Definition and Obligations. In the event that the performance of any provision of this
28 Consent Decree by the **Willits Trust** is rendered impossible by the issuance of any federal, state, or local

1 enforcement order or the rendering of any federal, state, or local judicial order, decree, or judgment
2 relating to any matter at the **Site** which is addressed in this Consent Decree, any **Settling Party** or the
3 **Willits Trust** shall have the right, upon written notice to the other **Settling Parties** and the **Willits**
4 **Trust**, to seek a determination relieving that **Settling Party** or the **Willits Trust** from the affected
5 obligation(s) pursuant to the dispute resolution provisions set forth in Sections XXII and XXIII of this
6 Consent Decree.

7 B. Effect. *Force Majeure* events shall excuse any **Settling Party** and the **Willits Trust** from
8 performance, or timely performance, of the particular obligation(s) under this Consent Decree affected
9 by the **Force Majeure** event.

10 C. Avoidance of Delays. The **Settling Parties** and the **Willits Trust** shall use good faith efforts
11 to avoid delay in all circumstances. "Good faith efforts" includes using reasonable efforts to anticipate
12 any potential *Force Majeure* event (1) as it is occurring and (2) following the potential *Force Majeure*.
13 to use such reasonable efforts such that the delay is minimized to the greatest extent practicable.

14 **XXII**
15 **DISPUTE RESOLUTION**

16 A. Mandatory Informal Dispute Resolution Period. In any dispute arising under this Consent
17 Decree, the **Plaintiffs**, **Remedial Defendants** and the **Willits Trust** (or, if the dispute involves the
18 obligations set forth in Sections XI, and XII and XIII of this Consent Decree, the **Lead Public Agency**)
19 shall initially attempt to resolve the dispute by informal negotiations. If the dispute is resolved
20 informally, then the parties shall jointly move the Court for an amendment of this Consent Decree, if
21 necessary, to reflect the terms of the agreement reached in the form of an Agreed Order. The initial
22 informal dispute resolution period shall be a minimum of at least ten (10) days. By mutual written
23 agreement, the **Plaintiffs** and **Remedial Defendants** may mutually agree in writing with the **Willits**
24 **Trust** to extend their respective time periods for informal dispute resolution by additional periods of
25 ten (10) days. However, the total time period for informal dispute resolution shall in no event exceed
26 thirty (30) days.

27 B. Formal Dispute Resolution. If the dispute is not resolved informally during the time period
28 specified in Section XXII.A. of this Consent Decree, any **Settling Party** or the **Willits Trust** (or, if the
dispute involves the obligations set forth in Sections XI, XII and XIII of this Consent Decree, the **Lead**

1 **Public Agency**) may seek resolution of such dispute, by filing a noticed petition for adjudication of
2 dispute or for an order to compel compliance with this Consent Decree upon all other **Settling Parties**
3 the **Willits Trust** and upon the **Lead Public Agency** (if it is a party to the dispute).

4 C. Condition Precedent. Timely and proper initiation and completion of informal dispute
5 resolution pursuant to Section XXII of this Consent Decree shall be a condition precedent to the filing
6 of a formal dispute resolution petition. No party may file a formal dispute resolution without complying
7 in full with this condition precedent.

8 D. Filing and Content of Petition and Oppositions. All papers in any such proceeding shall be
9 filed with the Court and served on the **Plaintiffs, Remedial Defendants, the Willits Trust** and the **Lead**
10 **Public Agency** (if it is a party to the dispute). The dispute resolution petition shall identify the issues
11 in dispute, the reasons that the dispute could not be resolved after reasonable effort or why informal
12 dispute resolution otherwise proved to be futile, and the relief sought by the petitioner.

13 E. Failure to File Dispute Resolution. Failure to timely file or diligently prosecute a dispute
14 resolution petition in compliance with the provisions of this Section XXII and the provisions of the
15 Section of this Consent Decree which confers the right to file a dispute resolution petition shall forever
16 bar and foreclose any and all further review, challenge or dispute concerning the disputed issue whether
17 under this Consent Decree or in any other action.

18 XXIII

19 PAYMENT OF DISPUTE FEES

20 The reasonable costs and attorneys' fees and expert witness fees incurred by a **Settling Party,**
21 the **Willits Trust** or this Court in connection with any dispute resolution under this Consent Decree,
22 including any appeal(s) to any appellate court, shall be paid to the substantially prevailing party or parties
23 by the other party or parties, as determined by this Court, in an amount not to exceed five thousand
24 dollars (\$5,000). Such payment shall be made within thirty (30) days of the final resolution of such
25 dispute or, if further relief is sought, within thirty (30) days after a decision has been reached before each
26 Court subsequently hearing the matter as part of the judicial appeal process. If a prevailing party is
27 awarded reimbursement for its dispute resolution costs and attorneys' and expert witness fees incurred
28 before the District Court (or before any appellate court), it shall first submit a full accounting to the party
or parties ordered to pay such fees or costs.

XXIV
MUTUAL RELEASES AND COVENANTS NOT TO SUE

1
2
3 A. Mutual Release. Except as to the actions and requirements expressly set forth in this Consen
4 Decree, or as otherwise provided herein, upon entry of this Consent Decree the **Settling Parties** mutually
5 release one another, and their respective legal successors and assigns, and each of their respective
6 shareholders, partners, officers, directors, employees, agents, and attorneys, and in the case of the People
7 of the State of California or the City of Willits, its elected and appointed officials, departments and
8 agencies, from all past, present and future claims, whether known or unknown, and whether direct or
9 in contribution, which were brought or which could have been brought in this action, and which arise
10 from or are related to the allegations of this action including, without limitation, claims pursuant to
11 Sections 107 and 113 of **CERCLA** and Section 7002(a) of **RCRA** that could have been brought by
12 **Plaintiffs** against the **Settling Defendants**.

13 B. Stanray Corporation and Abex Corporation Release. Upon entry of this Consent Decree
14 and in consideration of obligations and consideration provided in this Consent Decree by defendants
15 Whitman and Pneumo Abex, **Plaintiffs** agree to, and hereby do, release Stanray Corporation and Abex
16 Corporation from all of **Plaintiffs'** past, present and future claims, whether known or unknown, and
17 whether direct or in contribution, which were brought or which could have been brought in this action
18 against Stanray Corporation and Abex Corporation, and which arise from or are related to the allegations
19 of this action including, without limitation, claims pursuant to Sections 107 and 113 of **CERCLA** and
20 Section 7002(a) of **RCRA** that were brought or which could have been brought by **Plaintiffs**, or either
21 of them, against Stanray Corporation or Abex Corporation.

22 C. Exceptions. The Releases and Covenants Not to Sue contained in Paragraphs A and B of this
23 Section XXIV of this Consent Decree shall not apply to the following:

24 1. Consent Decree Obligations. Obligations created by, acknowledged in, or arising out
25 of, this Consent Decree;

26 2. Agreements and Orders. Obligations created by, acknowledged in, or arising out of
27 any written agreement between the **Settling Parties** or judicial order which expressly references this
28 Consent Decree and, by its terms, exempts those obligations from the Mutual Release and Covenant Not
to Sue contained herein; and

1 3. Police and Regulatory Responsibilities. Claims or rights the City of Willits may now
2 or in the future, have to act in its capacity as a governmental entity pursuant to its police or regulatory
3 powers to protect the public health, welfare and safety and to enforce the statutes, ordinances and
4 regulations over which it has jurisdiction.

5 D. Defense of Contribution Bar. The **Willits Trust** shall defend, at its **Sole Cost**, solely the
6 contribution protection afforded by and pursuant to this Consent Decree (whether construed to be
7 pursuant to the Uniform Contribution Among Tortfeasor's Act, Uniform Comparative Fault Act, federal
8 common law, federal statutory law, or state law) against any claims for contribution, comparative
9 equitable indemnity or any similar "fair share" claim, by non-settling parties that are derivative of the
10 claims released or, in the case of the release of contribution claim, are derivative of the same claims from
11 which the released contribution claim derived. In the event any non-settling party brings any such claim
12 for contribution which is or may be barred by the contribution protection afforded by and pursuant to
13 this Consent Decree against any **Settling Party**, Stanray Corporation or Abex Corporation, nothing in
14 this Section XXIV.D. shall be construed to create a duty to indemnify any **Settling Party**, Stanray
15 Corporation or Abex Corporation if it is determined that the defense contribution bar does not apply to
16 the claims or causes of action asserted against any **Settling Party**, Stanray Corporation or Abex
17 Corporation.

18 E. Reopeners. Nothing in this Consent Decree, including, but not limited to the Mutual Release
19 and Covenant Not to Sue contained in this Section XXIV of this Consent Decree, shall be construed to
20 limit the authority or right of **Plaintiffs** to assert against the **Remedial Defendants** any claim for, or
21 undertake any action to recover, response costs incurred or to be incurred with respect to the **Hazardous**
22 **Substance** contamination at and emanating from the **Site**, or to seek any other appropriate relief,
23 including, but not limited to, injunctive relief respecting the abatement in whole, or in part, of such
24 **Hazardous Substance** contamination or any endangerments which may be presented by such
25 contamination, if, subsequent to entry of this Consent Decree, any such claims arise from any of the
26 following circumstances:

27 1. Unknown Conditions. The occurrence and/or discovery of unknown or undetected
28 facts or conditions which directly relate to any significant endangerment to human health or the

1 environment in, at and around the **Site** arising from the **Hazardous Substance** contamination in, at,
2 around and emanating from the **Site** which were the subject matter of the litigation;

3 2. New Toxicological Knowledge. The occurrence and/or discovery of scientific
4 knowledge regarding the toxicity of substances or conditions at and around the **Site** relating to the
5 release or threatened release of the **Hazardous Substances** which were the subject matter of the
6 litigation, or scientific knowledge regarding other factors affecting the evaluation of the impact of that
7 contamination on health or the environment;

8 3. Technological Advances. The occurrence and/or discovery of technological change
9 or advancement, including, but not limited to, improvements in the ability to detect contaminants or
10 remove such contaminants from the environment which result in the assertion of liability against the
11 **Willits Trust**, the incurrence of response costs, or the undertaking of response actions by the **Willits**
12 **Trust**;

13 4. Required Plaintiff Response Actions. The occurrence and/or discovery of conditions
14 caused by the implementation of the **Work** which require the incurrence of response costs or
15 undertaking of response actions by **Plaintiffs**; or,

16 5. Failure to Recover Upon Judgment. The **Plaintiffs**, the **Settling Parties** or any
17 of them fail, after *bona fide*, diligent and competent efforts, to recover, by settlement, judgment,
18 execution or otherwise, on, and deposit into the **Willits Trust** pursuant to Section VIII.A.2. of this
19 Consent Decree, any portion of the judgment granted in Section VII.A. of this Consent Decree.

20 F. Effects of Settlement. The **Settling Parties** agree and the Court hereby finds and decrees that:

21 1. Releases of Federal Claims. The effects of the releases of the **Plaintiffs'** claims
22 pursuant **CERCLA** and **RCRA** are governed by the terms and provisions of Section 113(f) of
23 **CERCLA**, 42 U.S.C. § 9613(f).

24 2. Releases of State Law Claims. The effects of the releases of state law claims are
25 governed by the applicable law of the State of California, including, but not limited to, California Code
26 of Civil Procedure § 877 and American Motorcycle Ass'n v. Superior Court, 20 Cal.3d 578, 146
27 Cal.Rptr. 182 (1978), and its progeny, to the extent that the effects of the releases of such claims are not
28 otherwise governed by the federal common law consistent with this Section XXIV.F.1. of this Consent

1 Decree.

2
3 **XXV**
4 **GOOD FAITH SETTLEMENT**

5 The **Settling Parties** agree and the Court hereby finds, orders, adjudges and decrees that:

6 (1) the **Settling Parties** have fully negotiated the terms of this Consent Decree at arms length with the
7 assistance and advice of competent independent counsel, and subject to the supervision, guidance and
8 direction of the Court's appointed settlement judge; (2) that the consideration exchanged and
9 commitments made herein are reasonable; and, (3) that the settlement reflected herein is made in good
10 faith and is neither fraudulent nor collusive nor affected by any fraud or collusion. The **Settling Parties**
11 agree and the Court hereby finds, orders, adjudges and decrees that: (1) the **Plaintiffs, Remedial**
12 **Defendants**, and Travelers Insurance Company have fully negotiated the terms of the settlement
13 agreements attached hereto and incorporated herein at Appendix E at arms length with the assistance
14 and advice of competent independent counsel; (2) that the consideration exchanged and commitments
15 made therein are reasonable; and, (3) that the settlement reflected therein is made in good faith and is
16 neither fraudulent nor collusive nor affected by any fraud or collusion. The **Settling Parties** agree and
17 the Court hereby orders, adjudges and decrees that this Consent Decree and the settlements attached
18 hereto and incorporated herein at Appendix E represent a fair, adequate, reasonable, equitable, and good
19 faith settlement of the claims asserted by **Plaintiffs** and the alleged liability of the **Settling Defendants**
20 relating to and arising from the **Hazardous Substances** released and threatened to be released into the
21 environment at and in the vicinity of the **Site** and the proceeds of that settlement and the disposition of
22 those monies hereunder represent a fair, adequate, reasonable, equitable, and good faith settlement of
23 this action and the coverage dispute concerning the insurance policies issued by Travelers Insurance
24 Company to Stanray Corporation and the claims asserted by **Plaintiffs** and the alleged liability of the
25 **Settling Defendants** relating to and arising from the **Hazardous Substances** released and threatened
26 to be released into the environment at and in the vicinity of the **Site**.

27 **XXVI**
28 **RESERVATION OF RIGHTS**
AGAINST NON-SETTLING PARTIES

A. No Release to Non-Parties. The **Settling Parties** agree and the Court hereby finds, orders,
adjudges and decrees that, except as provided in Section XXIV.B. of this Consent Decree, nothing in

1 this Consent Decree, non-exclusively including the releases contained in Section XXIV of this Consent
2 Decree, is intended to be, nor shall anything in this Consent Decree be construed as, a release of any
3 claim or cause of action, a covenant not to sue, or provision of any contribution protection pursuant to
4 **CERCLA** Section 113(h) or under any other provision of statutory or common law, to any person or
5 entity not a **Settling Party** to this Consent Decree. Except as provided in Section XXIV.B. of this
6 Consent Decree, nothing in this Consent Decree shall in any way limit, restrict, or impair the rights of
7 the **Plaintiffs**, the **Settling Defendants** or the **Willits Trust** to assert claims and defenses against any
8 non-parties to this Consent Decree, including without limitation, the right to seek payment,
9 reimbursement, contribution, or indemnity from non-parties to this Consent Decree for obligations
10 transferred or to be transferred to the **Willits Trust** or action taken or to be taken by the **Willits Trust**
11 under this Consent Decree.

12 B. Recovery Rights. References in this Consent Decree to obligations being at the “**Sole Cost**”
13 of the **Willits Trust** shall not in any way impair, limit or restrict its right to seek, or its right to assign
14 to any other **Settling Party** or any other person or entity, recovery of some or all of these costs it has
15 incurred or will incur from any non-party to the Consent Decree by way of contribution, indemnity or
16 otherwise.

17 **XXVII**
18 **SUCCESSORS AND ASSIGNS**

19 This Consent Decree shall be binding upon and inure to the benefit of the **Plaintiffs**, the **Settling**
20 **Defendants**, the **Willits Trust**, their directors, trustees, officers, affiliated companies, parents,
21 subsidiaries, successors and assigns and the City of Willits, its elected and appointed officials,
22 departments, agencies, maintenance and other districts.

23 **XXVIII**
24 **TERMINATION**

25 A. Termination of Consent Decree. When the duly appointed **Trustee** of the **Willits Trust**
26 believes that all of the obligations of the **Willits Trust** under this Consent Decree have been fully
27 satisfied and that the **Work** has been properly completed, the **Trustee** shall move this Court for
28 termination of this Consent Decree and dissolution of the **Willits Trust**. Such motion shall include a
plan for the disposition of the **Corpus of the Willits Trust** which shall provide that the remaining

1 **Corpus of the Willits Trust**, if any, shall be distributed to Defendant Whitman net of the costs, fees
2 and expenses to be paid pursuant to the **Trustee's** final accounting and the disbursement to the City of
3 Willits required pursuant to Section VI.C. relating to the **Natural Resource Reserve** and, if the **Corpus**
4 **of the Willits Trust** will allow, the balance of the **Plaintiffs'** litigation costs pursuant to Section VI.D.
5 of this Consent Decree.

6 B. Plan of Disposition. If at the time the **Trustee** petitions the Court for dissolution of the
7 **Willits Trust**, the **Willits Trust** is vested with legal title to the **Site**, the plan of disposition shall also
8 include proposals and recommendations for appropriate divestiture of the **Site**. The **Settling Parties**
9 shall have the opportunity to submit alternative proposals and recommendations for divestiture of the
10 **Site**. The Court may refer any dispute concerning the plan of disposition for dispute resolution in
11 accordance with Sections XXII and XXIII of this Consent Decree. The proceeds, if any, from
12 disposition of the **Site** shall be distributed in accordance with and subject to the plan of disposition.

13 C. Cooperation and Consultation. The **Trustee** may consult and cooperate with the **Plaintiffs**
14 concerning the disposition, sale or use of the **Site** but in not event shall the **Plaintiffs** have any control
15 or discretion in the disposition, sale or use of the **Site**.

16 **XXIX**
17 **CONTINUING JURISDICTION OF THE COURT**

18 The Court shall retain full jurisdiction over the **Settling Parties**, the **Willits Trust** and this
19 Consent Decree for purposes of ensuring compliance with their terms and provisions and to adjudicate
20 disputes as provided in Sections XXII and XXIII of this Consent Decree.

21 **XXX**
22 **EFFECTIVE DATES**

23 This Consent Decree shall be effective upon entry by the Court.

24 **XXXI**
25 **NO ADMISSION OF LIABILITY**

26 A. No Admissions. The **Settling Parties** acknowledge that entry of this Consent Decree shall
27 not constitute any admission by any of the **Settling Defendants** of liability arising out of the transactions
28 or occurrences alleged in the complaint. Except as may be provided by law, nothing in this Consent
Decree shall be construed to create any rights in, or grant any cause of action to, any person not a party
to this Consent Decree. By entering into this Consent Decree, the **Settling Parties** agree and the Court

1 hereby finds, orders, adjudges and decrees that it is a compromise of disputed claims and shall no
2 constitute or be asserted to constitute an admission of liability by any **Settling Party**. As to such liability
3 or responsibility, **Plaintiffs** and **Settling Defendants** expressly reserve and do not waive any rights and
4 defenses as against non-parties to this Consent Decree that existed at the time of the entry of this
5 Consent Decree or which hereafter accrue. Nothing in this Section, however, shall affect or provide a
6 defense to the respective undertakings of the **Settling Parties** as required by this Consent Decree.

7 B. Dismissal of Intentional Conduct Allegations. The **Plaintiffs** agree to and the Court heret
8 orders dismissal with prejudice of the **Plaintiffs'** allegations that any acts, omissions or conduct causing
9 or contributing to the presence of **Hazardous Substances** in, at, around and emanating from the **Site**
10 or the causing or contributing to any damage resulting, in whole or in part, therefrom, were intentional
11 on the part of the **Remedial Defendants** or any of them. **Plaintiffs** do not hereby withdraw their
12 allegations that the presence of **Hazardous Substances** in, at, around and emanating from the **Site** were
13 the result of negligent acts, omissions or conduct, simple negligence or accidents.

14 THE UNDERSIGNED PARTIES ENTER INTO THIS CONSENT DECREE, FINAL ORDER,
15 FINAL JUDGMENT AND ORDER OF REFERENCE AND SUBMIT IT TO THE COURT FOR ITS
16 APPROVAL:

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THE PEOPLE OF THE STATE OF CALIFORNIA AND THE CITY OF WILLITS, CALIFORNIA

By: [Signature]
Title: City Manager
Date: 2-28-00

COUNSEL TO THE PEOPLE OF THE STATE OF CALIFORNIA AND THE CITY OF WILLITS, CALIFORNIA AS TO FORM:

By: [Signature]
Date: Feb. 25, 2000

PNEUMO ABEX CORPORATION:

By: _____
Title: _____
Date: _____

COUNSEL TO PNEUMO ABEX CORPORATION AS TO FORM:

By: _____
Date: _____

WHITMAN CORPORATION:

By: _____
Title: _____
Date: _____

COUNSEL TO WHITMAN CORPORATION AS TO FORM:

By: _____
Date: _____

IT IS SO ORDERED:

THIS ____ DAY OF _____, 2000

The Honorable Susan Illston
United States District Judge

9350.3

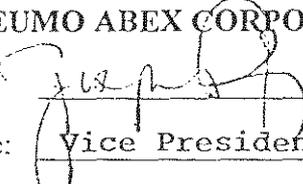
Signature Page to [Proposed] Amended Final Consent Decree, Final Order and Final Judgment; and Order Establishing the Willits Environmental Remediation Trust in the Matter of *The People of the State of California and the City of Willits, California v. Remco Hydraulics, Inc., et al.*, Case No. C96-0283 SI (N.D. Cal.)

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THE PEOPLE OF THE STATE OF CALIFORNIA AND THE CITY OF WILLITS, CALIFORNIA

By: _____
Title: _____
Date: _____

PNEUMO ABEX CORPORATION:

By:  _____
Title: Vice President
Date: March 1, 2000

WHITMAN CORPORATION:

By: _____
Title: _____
Date: _____

COUNSEL TO THE PEOPLE OF THE STATE OF CALIFORNIA AND THE CITY OF WILLITS, CALIFORNIA AS TO FORM:

By: _____
Date: _____

COUNSEL TO PNEUMO ABEX CORPORATION AS TO FORM:

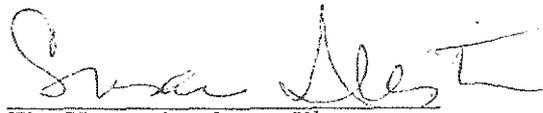
By: _____
Date: _____

COUNSEL TO WHITMAN CORPORATION AS TO FORM:

By: _____
Date: _____

IT IS SO ORDERED:

THIS 21st DAY OF December, 2000



The Honorable Susan Illston
United States District Judge

9350.3

Signature Page to [Proposed] Amended Final Consent Decree, Final Order and Final Judgment; and Order Establishing the Willits Environmental Remediation Trust in the Matter of *The People of the State of California and the City of Willits, California v. Remco Hydraulics, Inc., et al.*, Case No. C96-0283 SI (N.D. Cal.)

1 **PROOF OF SERVICE**

2 I am employed in the County of San Joaquin, State of California, over the age of eighteen
3 years, and not a party to the within action. My business address is ISOLA BOWERS, LLP,
4 701 South Ham Lane, Second Floor, Lodi, California 95242.

5 On, January 5, 2001, I served the within document(s) described as:

6 Notice of Entry of Amended Final Consent Decree; Final Order and Final Judgment;
7 and Order Establishing The Willits Environmental Remediation Trust

8 (BY MAIL) by placing true copies thereof enclosed in sealed envelopes addressed as
9 stated on the attached mailing list:

10 (BY MAIL) by placing the original a true copy thereof enclosed in sealed
11 envelopes addressed as follows:

12 I deposited such envelope in the mail at Lodi, California. The envelope was mailed
13 with postage thereon fully prepaid.

14 I caused such envelope to be deposited in the mail with postage thereon fully prepaid.

15 I am "readily familiar" with this firm's practice of collection and processing correspondence for mailing. It is
16 deposited with U.S. postage service on that same day in the ordinary course of business. I am aware that on
17 motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than 1
18 day after date of deposit for mailing in affidavit.

19 (BY PERSONAL SERVICE) I delivered such envelope by hand to the offices of the
20 following addressee(s):

21 (STATE) I declare under penalty of perjury under the laws of the State of California
22 that the above is true and correct.

23 (FEDERAL) I declare that I am employed in the office of a member of the bar of this
24 Court at whose direction the service was made.

25 Executed on January 5, 2001, at Lodi, California.

26 
27 MARIA D. RODRIGUEZ
28

Exhibit C

(Order Creating Stanray QSF)

Exhibit C

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

PEPSI-COLA METROPOLITAN
BOTTLING COMPANY, INC.,

Plaintiff,

vs.

ALLSTATE INSURANCE
COMPANY, as successor in interest to
Northbrook Excess and Surplus
Insurance Company, formerly known
as Northbrook Insurance Company; *et*
al.

Defendants.

Case No. LA CV 11-6885 JAK (VBKx)

Courtroom 750

**ORDER GRANTING THE
STIPULATION TO APPROVE THE
ESTABLISHMENT OF THE
STANRAY QSF**

Judge: John A. Kronstadt

The Court, having reviewed the Stipulation For Establishment of a Qualified Settlement Fund (“the Stipulation”) submitted by plaintiff Pepsi-Cola Metropolitan Bottling Company, Inc. (“Metro”), and agreed by Defendants The Dominion Insurance Company Limited, River Thames Insurance Company Limited, Harper Insurance LTD (f/k/a Turegum Insurance Company Limited), London & Edinburgh Insurance Company Ltd., Excess Insurance Company Ltd., and National Casualty Company of America Limited (collectively, “Settling London Market Companies”) having found good cause to do so **HEREBY ORDERS, ADJUDGES AND DECREES** as follows:

1 1. The Court approves the establishment of the Stanray QSF and the
2 Operating Agreement for the Stanray QSF, that is attached as Exhibit 1 to the
3 Stipulation.

4 2. The terms of the Stanray QSF shall be carried out immediately.

5 3. The Stanray QSF shall be governed by the terms set forth in the
6 Operating Agreement for Stanray QSF, attached as Exhibit 1 to the Stipulation,
7 Internal Revenue Code Section 468B, and Treasury Regulation Sections 1.468B-1
8 through 1.468B-5.

9 4. The Court shall retain continuing jurisdiction over the Stanray QSF
10 pursuant to Treasury Regulation Section 1.468B-1(c)(1) and over its trustee, Troy
11 Chute, 1101 Pennsylvania Avenue, N.W., Washington, D.C. 20004, and any
12 subsequent trustee duly appointed.

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Date: October 31, 2013

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The Honorable John A. Kronstadt
Judge of the United States District Court
for the Central District of California

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111 E. COMMERCIAL STREET
WILLITS, CALIFORNIA 95490
(707) 459-4601 TEL
(707) 459-1562 FAX

**WILLITS CITY COUNCIL
MINUTES
WEDNESDAY, OCTOBER 14, 2015**

Mayor Burton called a regular meeting of the City Council to order at 6:30 p.m., in Council Chambers. The meeting was preceded by the pledge to the flag.

Roll Call: Councilmembers Larry Stranske, Madge Strong, Holly Madrigal, Ron Orenstein, and Mayor Bruce Burton were present.

Also present were staff members: Adrienne Moore, City Manager; Jim Lance, City Attorney; Gerry Gonzalez, Police Chief; Rod Wilburn, Public Works Director; Susie Holmes, Finance Director/City Treasurer; and Cathy Moorhead, City Clerk.

OFF AGENDA ITEMS

(Amendment to the agenda requires a 4/5th vote of the City Council)

Moved by Madrigal/Seconded by Stranske and carried unanimously to add the following item to the agenda:

14A. ADD TO CLOSED SESSION

Conference with Legal Counsel Pursuant to Government Code §54956.9 – Existing Litigation: People of the State of California and the City of Willits v. Remco Hydraulics, Inc., et al. (United States District Court – Northern District of California, Case No. C-96-6283 SI 12/22/2000)

2. PUBLIC COMMUNICATIONS

Jack Rose, community member urged the City Council to support the Senior Citizens in our community, asking the City Council to do what they can to help lower the cost of living for seniors. Gail Grancsay urged the City Council and the community to write letters to President Obama asking him not to release Muslims into the United States.

3A. UPDATE ON THE MENDOCINO COUNTY MUSEUM

Alison Glassey, Mendocino County Museum Director thanked the City Council for the recent funding support the City of Willits provided to the museum. Ms. Glassey informed the council that the support makes it possible for presentation of new exhibits, events, educational tours and artifact conservation.

No action taken.

4. CONSENT CALENDAR

The following item(s) are recommended for approval:

- a. City Council Minutes:
 - August 26, 2015 – **Approved**
 - September 9, 2015 – **Approved**
 - September 21, 2015 – Special Meeting – **Approved**
- b. Resolution Approving the Memorandum of Understanding between the City of Willits and the Willits Police Officers Association, Effective October 14, 2015 – June 30, 2018 – **Approved**

- c. ~~Resolution Determining Eligibility for an Industrial Disability Retirement for Police Officer Karen D. Harris - **Pulled**~~
- d. Resolution Establishing the City's Appropriations Limit for Fiscal Year 2014-2015, Pursuant to Article XIII B of the Constitution of the State of California – **Approved**

Moved by Orenstein/Seconded by Strong and carried unanimously to approve Consent Calendar items (a,b,d) with item c pulled by the City Manager.

5. INFORMATIONAL REPORTS

Matters that do not require action by the City Council but are of public interest.

- a. Disbursements Journal(s):
 - Warrant Nos. 27119-27123, Totaling \$23,032.69
 - Warrant Nos. 27124-27209, Totaling \$335,122.15
 - Warrant Nos. 27210-27218, Totaling \$21,457.32
 - Warrant Nos. 27219-27291, Totaling \$138,588.32
- b. Building Inspection Activity Report(s) – September 2015
- c. Business License Activity Report(s) – September 2015
- d. Water Usage/Revenue Chart – September 2015
- e. Cost Allocation Plan – Fiscal Year 2013-2014
- f. Written Update from Caltrans Regarding the Willits Bypass Project – September 2015

6. RIGHT TO APPEAL

None presented.

7. COMMISSIONS, AGENCIES AND AUTHORITIES

None presented.

8A. CITY MANAGER REPORTS

City Manager Moore reported on the following:

- Airport Day, even though it occurred in the midst of several fires in our area, they still had a good turnout; it also served as an open house for REACH;
- Attended the dedication for the new Howard Memorial Hospital;
- Thanked John Sherman, Building Inspector/Code Enforcement Officer for his dedication and hard work to this year's Coastal Cleanup Day;
- Finance Director Holmes attended the REMIF Board Meeting in Ukiah on behalf of City Manager Moore;
- Mayor Burton and City Manager Moore attended the Mayors & City Managers luncheon in Ft. Bragg last week, welcoming Point Area's new City Manager, Richard Shoemaker. City Manager Moore commented, the luncheons are a great opportunity for networking;
- City Manager Moore and Public Works Director Wilburn will be attending the California Public Employers Labor Relations Association (CALPELRA) Conference, October 20th – 23rd in Monterey;
- Attended the Economic Development Study Focus Group meeting in Ukiah, hosted by the Mendocino County Planning Department and the Community Development Commission;
- Community Workshop for the Willits Center for the Arts took place last Saturday, where great ideas for the Art Center were generated;
- October 28th is the new date set for the hospital patient move;
- Revit-Ed Meeting has been scheduled for November 5th;
- Items that will be discussed at the October 28th meeting are – new application for John's Place and discussion on the Economic Goals for EDFC;
- November 1st the new mixed organic service with Solid Waste of Willits begins; and
- The next City Council meeting is scheduled for November 11th, which is a City holiday, therefore City Manager Moore asked the City Council if they would prefer to reschedule.

The meeting has been rescheduled and a Special Council meeting will take place on Tuesday, November 10th.

No action taken.

9. DEPARTMENT RECOMMENDATIONS

a. Administration:

- City Clerk Moorhead report on the new Electronic Filing System that is currently being implemented at City Hall, commenting that this has been a long time coming. The new system will organize our past and present files, allowing for a more efficient means to accessing needed documents.
- Finance Director Holmes is seeking direction and authorization from the City Council to determine if there are options to reduce the interest rate on a 1993 USDA Sewer Construction Loan, the City Council encouraged Ms. Holmes to do just that; Ms. Holmes recently attended the Redwood Empire Municipal Insurance Fund Board meeting noting that the recent move to self insured health insurance is having a favorable impact, while liability and workers compensation insurances will likely see an increase in rates next year, amounts are unknown at this time; Sales Tax meeting with the city representative took place this week, it was reported that the city has experienced a decrease over last year, primarily based on fuel prices; and a Finance Committee meeting has been scheduled for October 27th.
- Human Resources did not report.
- City Attorney Lance reported on the Water Rights Memo that was researched from local newspapers and prepared by local college student, Rachael Kanonchoff. It appears from the summary of findings that before 1914 Willits was using the water from what we know now as Davis Creek. In 1914 the State Water Code was enacted, which required persons to apply for permits to appropriate surface water. Before that time it was first come, first served, a seniority based system, if you could establish that you had been using diverted appropriated water before the water code was established, then you had senior rights. In the last year we have received orders from the Water Resources Control Board to stop diverting water due to the city only having junior rights. Mr. Lance offered to explore the feasibility to have the State of California recognize our Senior Priority Rights and report back to the City Council.

b. Public Safety:

- Police Chief Gonzalez commented on the abundance of transients, asking the community and local business owners to partner with the Police Department and continue to call to have them removed. Officers have been visiting local businesses to have them sign a Letter of Agency; this letter will allow the Police Department access to their business property after hours to remove the transients.

c. Community Development did not report.

d. Public Works & Engineering:

- Public Works Director Wilburn thanked Scott Herman, Water Operator for fulfilling the role of Acting Public Works Director in his absence; the Engineering Department has secured a permit from the Department of Fish and Wildlife for gravel removal from under the Broaddus Creek Bridge; the City has hired Sonoma Street Sweepers to sweep the City streets while we are in the process of repairing the city's sweeper; reservoirs are currently at 692 acre feet, being five percent less than same time last year; and East Hill Road paving project has been completed, awaiting stripping.

e. Water & Wastewater Systems - no further reports.

10. CITY COUNCIL AND COMMITTEE REPORTS

- a. Mendocino Council of Governments (MCOG) meet, Councilmember Madrigal reported taking a field trip to downtown Hopland where they are looking into improvements for traffic safety; also reported, the City of Willits did not receive any portion of this year's Rails with Trails Grant Funds. Funds were issued to Round Valley, and Ukiah;
- b. Local Agency Formation Commission (LAFCO) meeting was held, Councilmember Madrigal was unable to attend.
- c. Mendocino Transit Authority (MTA) nothing to report.
- d. Mendocino Solid Waste Management Authority-Joint Powers Authority (MSWMA-JPA) did not meet.
- e. Economic Development and Financing Corporation (EDFC) met and discussed local investing/Direct Public Offering, investing in local businesses; the Wool Mill business site has been approved by the City of Ukiah; discussed about the Bio-Char Project; Broad Band Alliance; and EDFC is asking each city within Mendocino County what their top 5 Economic Development Goals are.
- f. League of California Cities met at their Annual Conference, Councilmember Madrigal was unable to attend.
- g. Water & Wastewater Systems Committee did not meet.
- h. Revit-ED Committee did not meet.
- i. Finance Committee did not meet. Next scheduled meeting is October 27th.
- j. Ad Hoc Committees
 - Caltrans Bypass Project – did not meet.
 - Main Street Improvement – did not meet.
 - Willits Center for the Arts – did not meet.
- k. Other Committee Reports - no further reports.

11. COUNCIL MEMBER REPORTS AND RECOMMENDATIONS

- a. Mayor's Appointment of an Ad Hoc Committee to Explore the Feasibility of Establishing a Joint Powers Authority for the Operation of the Wastewater Treatment Plant, Pursuant to the Terms of the Settlement Agreement with Brooktrails Township Community Services District

Public Comment: None.

BY ORDER OF THE MAYOR, a new Wastewater Treatment Plant Ad Hoc Committee is established, with Vice Mayor Orenstein and Mayor Burton, to explore the Feasibility of Establishing a Joint Powers Authority for the operation of the wastewater treatment plant, Pursuant to the settlement agreement with Brooktrails Township Community Service District.

Mayor Burton also made a change to the Committees, Boards & Agencies Appointments, Councilmember Stranske will now serve on the Revit-ED Committee, replacing Councilmember Orenstein. Mayor Burton commented, Councilmember Stranske owns a business on Main Street and with Revit-ED Committee taking on plans for our downtown area; this would be a logical appointment.

Councilmember Madrigal asked the council to authorize her to apply for a one time, Community Benefit Fund Grant, through the Board of Supervisors to allow for a Feasibility Study for a Recreation District. Mayor Burton instructed Councilmember Madrigal to apply for the grant, and if the City receives the funds the Council will have a more in-depth conversation on whether to except the grant.

12. ENACTMENT OF ORDINANCES

None presented.

13. GOOD & WELFARE

Councilmember Stranske commented that he had visited his daughter in Pennsylvania and while he was there attending a function, we was introduced to the new owners of Microphor. Commenting that he didn't know that it was for sale, but if they needed anything to please contact City Manager Moore.

ADJOURNED TO CLOSED SESSION AT 8:09 P.M.

14. CLOSED SESSION NOTICE

- a. Conference with Legal Counsel Pursuant to Government Code §54956.9 – Existing Litigation: People of the State of California and the City of Willits v. Remco Hydraulics, Inc., et al. (United States District Court – Northern District of California, Case No. C-96-6283 SI 12/22/2000)

Council reconvened to open session at 8:31 p.m., with no action to report from Closed Session.

Moved by Stranske/seconded by Madrigal and carried unanimously to adjourn the meeting at 8:31 p.m.

BRUCE BURTON, Mayor

ATTEST:

CATHY MOORHEAD, City Clerk

COUNCIL MEETING RECORDINGS: City Council meetings are video recorded and broadcast live on the 2nd and 4th Wednesday of each month on Public Access Channel 3 and rebroadcast on Saturday and Sunday at 5:00 p.m. on Government Channel 64. DVD's are available for check-out or may be purchased (with advance notice) for \$15.00 at City Hall.



111 E. COMMERCIAL STREET
WILLITS, CALIFORNIA 95490
(707) 459-4601 TEL
(707) 459-1562 FAX

**WILLITS CITY COUNCIL
MINUTES
WEDNESDAY, OCTOBER 28, 2015**

Mayor Burton called a regular meeting of the City Council to order at 6:30 p.m., in Council Chambers. The meeting was preceded by the pledge to the flag.

Roll Call: Councilmembers Larry Stranske, Madge Strong, Holly Madrigal, Ron Orenstein, and Mayor Bruce Burton were present.

Also present were staff members: Adrienne Moore, City Manager; Jim Lance, City Attorney; Gerry Gonzalez, Police Chief; Rod Wilburn, Public Works Director; Susie Holmes, Finance Director/City Treasurer; John Sherman, Building Inspector/Code Enforcement; Dusty Duley, Contract City Planner; and Cathy Moorhead, City Clerk.

2. PUBLIC COMMUNICATIONS

None presented.

3A. PRESENTATION AND DISCUSSION OF PRELIMINARY FEMA FLOOD INSURANCE RATE MAPS, WHICH REFLECT CHANGES IN SPECIAL FLOOD HAZARD AREAS WITHIN THE CITY OF WILLITS AND THE IMMEDIATE SURROUNDING AREA

John Sherman, Building Official presented the 2011 FEMA Maps, identify the requirements for planning and development within the floodplain and floodway as represented on the FEMA Flood Insurance Rate Maps (FIRMs) and a Flood Insurance Study (FIS). On August 28, 2015, in response to a letter of map correction submitted by the City Engineer, FEMA issued a preliminary FIS and set of revised FIRMs for all of Mendocino County including the City of Willits. These preliminary maps reflect the changes to Base Flood Elevation and area of floodplain within the City. It is important to note that these are the first digital FIRMs in our region and should be very accurate when compared with previous maps. These preliminary maps are available on the City's website for review.

The City will host a public meeting where FEMA officials will be present to answer questions from the public and City officials (dated to be determined). FEMA will also advertise twice in local newspaper(s) before beginning a 90-day appeal period. Once the appeal period has passed and appropriate revisions have been made to the preliminary FIS and FIRMs, a *Letter of Final Determination* will be issued by FEMA beginning a 6-month adoption period where the City must amend our Floodplain and Floodway ordinances to adopt the preliminary FIS and FIRMs. The FIS and FIRMs become effective at the end of this period.

Public Comment: Cathleen Middleton expressed concerns regarding the property that now houses the new hospital, asking if Remco ever owned that property. A response was given that Remco never owned the property. Bear Kamoroff, Saprina Rodriguez, and April Tweddell commented that some areas on the maps have never flooded, what will this do to property values, and question your insurance companies regarding Flood Insurance.

No action taken.

RECESSED AS THE WILLITS CITY COUNCIL AND CONVENED AS THE PLANNING COMMISSION

7. DISCUSSION AND POSSIBLE ACTION TO ADOPT A RESOLUTION REGARDING USE PERMIT NO. U-15-01 FOR DANIEL W. CHESSER COMMISSIONS, AGENCIES AND AUTHORITIES

Contract City Planner Dusty Duley presented the revised Use Permit for John's Place, addressing concerns stated at the July 22nd Public Hearing, the applicants have revised their project from the previous permit and are submitting a new Use Permit with the following revisions included:

- 1) Foregoing live music to alleviate potential noise impact to the surrounding community;
- 2) Restricting exterior signage that refers directly to alcohol sales;
- 3) Limits the duration of the permit to two (2) year period while construction of a new building is completed at their previous location.

Public Comment: Robert Chavez, Pat Johnson, Willits Youth Advocate Group, John Haschak, Julie (last name unknown), Laura Roland, Mike Aplet and Police Chief Gonzalez all expressed concerns and reasons why the City Council should not approve the Use Permit for John's Place. Pasty Mann, Allie Deaton, Linda Jarvis, Mike Tobin, Shelly (Employee of Mr. Chesser's), and Dan Chesser expressed the beliefs of why this permit should be approved.

Moved by Stranske/Seconded by Madrigal and carried (3-2, with Madrigal and Orenstein dissenting) to adopt Resolution (No. 2015-22) certifying the Mitigated Negative Declaration and approving Use Permit #U-15-01 subject to the conditions of approval recommended by staff.

ADJOURNED AS THE PLANNING COMMISSION AND RECONVENED AS THE WILLITS CITY COUNCIL

RECESS: 8:39 – 8:41 P.M.

3B. DISCUSSION AND DIRECTION REGARDING THE CITY'S TOP FIVE ECONOMIC DEVELOPMENT GOALS AND PRIORITIES FOR INCLUSION IN DISCUSSION BY THE EDFC EXECUTIVE COMMITTEE

Public Comment: None

Moved by Burton/Seconded by Madrigal and carried unanimously to forward a copy of the "Major City Goals", adopted at the March 28, 2015 Goal-Setting Workshop to Economic Development and Financing Corporation.

4. CONSENT CALENDAR

The following item(s) are recommended for approval:

- a. City Council Minutes:
 - October 14, 2015 – **Pulled**
- b. Resolution to Delegate Authority to the City Manager to make Determination of Disability and Whether Such Disability is Industrial Under Government Code Section 21156 and to Certify Such Determination to the California Public Employees' Retirement System – **Approved**

Moved by Madrigal/Seconded by Strong and carried unanimously to approve Consent Calendar items (b) with October 14th minutes pulled from the agenda.

5. INFORMATIONAL REPORTS

Matters that do not require action by the City Council but are of public interest.

- a. Disbursements Journal(s):

- Warrant Nos. 27292-27301, Totaling \$34,044.68
- Warrant Nos. 27302-27388, Totaling \$328,082.43
- b. Written Update from Caltrans Regarding the Willits Bypass Project
- c. Sales Tax Digest Summary – Collections through September 2015

6. RIGHT TO APPEAL

None presented.

8A. CITY MANAGER REPORTS

City Manager Moore reported on the following:

- Solid Waste of Willits' new Mixed Organics Diversion Service will take effect on November 1st. The new bins will be issued to restaurants and businesses first, starting at the east end of town and moving west. The new process will take some time and won't be without challenges;
- City Manager Moore, Councilmember Stanske, and Vice Mayor Orenstein attended a Special Board of Supervisors meeting regarding information on the new State Legislative Medical Marijuana Regulatory Package. City Manager Moore informed the City Council that by March 1, 2016 the city will have to adopt an ordinance to retain local control of the licensing for the operators;
- Willits Chamber of Commerce hosted the second Employers Round Table meeting, monthly meeting to start in January;
- Alison Pernel from the Local Government Commission will be giving an update regarding the Downtown Planning Project at the November 10th Special City Council meeting;
- Revit-Ed Committee meeting will be held on November 5th; and
- City Manager Moore and Public Works Director Wilburn attended the CALPELA Conference last week in Monterey.

No action taken.

9. DEPARTMENT RECOMMENDATIONS

- a. Administration
 - City Clerk did not report.
 - Finance Director Holmes reported that the Finance Committee met and reviewed expenses for the first quarter in the General Fund and Enterprise Funds. Also discussed the Sales Tax Summary, Collections through September 2015, Sales through June 2015, noting that the City of Willits had a decrease in sales tax from last year due to lower fuel prices.
 - Human Resources did not report.
 - City Attorney did not report.
- b. Public Safety
 - Police Chief Gonzalez reminded everyone that this weekend is Halloween, so to please watch for children; Howard Hospital will be conducting their patient move tomorrow morning, so to please watch for ambulance traffic. While this move is occurring, both hospitals will be staffed; Lisa Epstein, Willits Chamber of Commerce has been working with the Police Department to get Letters of Agency distributed to all businesses in town; Police Chief Gonzalez also commented that he is very upset with the insulting comments made in regards to our Police and Fire Departments at tonight's City Council meeting by Mike Tobin.
- c. Community Development
 - John Sherman thanked Public Works Director Wilburn and Engineering Technician, Jeremy Ronco for getting the gravel removed from Broaddus Creek before the rains begin: This year's Coastal Cleanup Day had fewer volunteers than normal, may be because the high school conducted a cleanup day last week. Mr. Sherman thanked

Jerry Ward, Willits Solid Waste for supplying garbage containers for both events; Final inspection done at the new hospital site today so they can move tomorrow; John Meyer's property, located next to the Latter-Day Saints Church was re-graded to remove the motocross track and help with drainage issues; and new Mendo Mill building is moving along nicely.

- d. Public Works & Engineering
 - Public Works Director Wilburn was pleased to announce that Bill Wilson has been promoted to the new Public Works Supervisor as of Monday, October 26th and has had a positive impact on the department; Public Works crew is in the midst of preparing our streets for winter, getting the street sweeper functional and putting it to some much needed use; also in the process of helping other departments with projects, they are currently working with the sewer department on a metering project. Water department has been dealing with inquires regarding concerns with the current violation. The water department is being proactive and has decided to start testing more frequently, every 2 weeks as opposed to quarterly.
- e. Water & Wastewater Systems – no further reports.

10. CITY COUNCIL AND COMMITTEE REPORTS

- a. Mendocino Council of Governments (MCOG) did not meet. Next scheduled meeting will be held on November 2nd.
- b. Local Agency Formation Commission (LAFCO) did not meet. Next scheduled meeting will be held on November 2nd.
- c. Mendocino Transit Authority (MTA) meets on October 29th.
- d. Mendocino Solid Waste Management Authority-Joint Powers Authority (MSWMA-JPA) did not meet.
- e. Economic Development and Financing Corporation (EDFC) met, held a special meeting to approve a new loan application.
- f. League of California Cities did not meet.
- g. Water & Wastewater Systems Committee did not meet.
- h. Revit-ED Committee – did not meet. Next scheduled meeting will be held on November 5th.
- i. Finance Committee reported under 9a.
- j. Ad Hoc Committees:
 - Caltrans Bypass Project – did not meet.
 - Willits Center for the Arts – did not meet.
- k. Other Committee Reports – no further reports.

11. COUNCIL MEMBER REPORTS AND RECOMMENDATIONS

- a. Councilmember Madrigal commented that she submitted the grant for the Feasibility Study for the Recreation District to the Board of Supervisors. A total of 62 applications were submitted for possible funding and each applicant will have an opportunity to address the Board of Supervisors regarding their application. No further information at this time.

12. ENACTMENT OF ORDINANCES

None presented.

13. GOOD & WELFARE

Councilmember Madrigal commented that the Viet Nam War Memorial at the Mendocino County Museum is being installed.

ADJOURNED TO CLOSED SESSION AT 9:30 P.M.

14. CLOSED SESSION NOTICE

- a. Conference with Legal Counsel Pursuant to Government Code §54956.9 – Existing Litigation: People of the State of California and the City of Willits v. Remco Hydraulics, Inc., et al. (United States District Court – Northern District of California, Case No. C-96-6283 SI 12/22/2000)

Council reconvened to open session at 9:53 p.m., with no action to report from Closed Session.

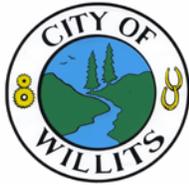
Moved by Madrigal/seconded by Stranske and carried unanimously to adjourn the meeting at 9:53 p.m.

BRUCE BURTON, Mayor

ATTEST:

CATHY MOORHEAD, City Clerk

COUNCIL MEETING RECORDINGS: City Council meetings are video recorded and broadcast live on the 2nd and 4th Wednesday of each month on Public Access Channel 3 and rebroadcast on Saturday and Sunday at 5:00 p.m. on Government Channel 64. DVD's are available for check-out or may be purchased (with advance notice) for \$15.00 at City Hall.



111 E. COMMERCIAL STREET
WILLITS, CALIFORNIA 95490
(707) 459-4601 TEL
(707) 459-1562 FAX

**WILLITS CITY COUNCIL
SPECIAL MEETING MINUTES
TUESDAY, NOVEMBER 10, 2015**

Mayor Burton called a special meeting of the City Council to order at 6:30 p.m., in Council Chambers. The meeting was preceded by the pledge to the flag.

Roll Call: Councilmembers Larry Stranske, Holly Madrigal (arrived at 6:31p.m.), Ron Orenstein, and Mayor Bruce Burton were present (*absent – Councilmember Strong*).

Also present were staff members: Adrienne Moore, City Manager; Jim Lance, City Attorney; Gerry Gonzalez, Police Chief; Rod Wilburn, Public Works Director; Susie Holmes, Finance Director; and Cathy Moorhead, City Clerk.

2. UPDATE ON THE MAIN STREET CORRIDOR ENHANCEMENT PLANNING PROCESS AND APPROVAL OF REQUEST FOR PROPOSALS (RFP)

After a lengthy discussion by the City Council and Alison Pernel, Project Director with the Local Government Commission, the City Council approved moving forward with the Request for Proposals.

Public Comment: None.

Moved by Madrigal/Seconded by Stranske and carried unanimously to approve Request for Proposals for the Main Street Corridor Enhancement Plan Project.

3. ADOPT RESOLUTION DECLARING COMPLETION OF CONSTRUCTION ON THE EMERGENCY WATER SUPPLY PROJECT

Public Comment: None.

Moved by Stranske/Seconded by Orenstein and carried unanimously to adopt Resolution (No. 2015-24) declaring the Emergency Water Line Project, Project No. 14001, completed and authorize the City Manager to file the Notice of Completion with the County Recorder's Office.

4. APPROVE REQUEST FOR RECLASSIFICATION OF "ASSOCIATE PLANNER" TO "CITY PLANNER" AND SALARY ADJUSTMENT FROM SCHEDULE 73I TO 76J, TO CORRECT AN INADVERTENT OVERSIGHT IN THE REORGANIZATIONAL PLAN APPROVED BY THE CITY COUNCIL ON JUNE 12, 2015

Public Comment: None.

Moved by Orenstein/Seconded by Stranske and carried unanimously to approve request for reclassification of "Associate Planner" to "City Planner" and salary adjustment from Schedule 73I to 76J.

No Closed Session due to the cancelation of the IBEW meeting on Tuesday, November 10, 2015.

Moved by Stranske/seconded by Orenstein and carried unanimously to adjourn the meeting at 7:28 p.m.

BRUCE BURTON, Mayor

ATTEST:

CATHY MOORHEAD, City Clerk

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(707) 459-1562 FAX

**WILLITS CITY COUNCIL
SPECIAL MEETING MINUTES
MONDAY, NOVEMBER 30, 2015**

Vice Mayor Orenstein called a special meeting of the City Council to order at 5:03 p.m., in Council Chambers.

Roll Call: Councilmembers Larry Stranske, Madge Strong, and Ron Orenstein were present, with Holly Madrigal (*Absent*), and Mayor Bruce Burton arriving at 5:04 p.m.

Also present were staff members: Adrienne Moore, City Manager; Rod Wilburn, Public Works Director; Susie Holmes, Finance Director/City Treasurer; and Cathy Moorhead, City Clerk.

ADJOURNED TO CLOSED SESSION AT 5:04 P.M.

2. CLOSED SESSION NOTICE

- a. Conference with Labor Negotiators Pursuant to Government Code §54957.6 – Employee Organization(s): All

Council reconvened to open session at 5:59 p.m., reporting out the following action from Closed Session:

Conference with Labor Negotiators Pursuant to Government Code §54957.6 – Employee Organization(s): International Brotherhood of Electrical Workers (IBEW)

The City Council approved a tentative agreement, which will now be put to a vote of the membership. If approved, the matter will be placed on the regular Council agenda of December 9, 2015.

3. ADJOURNMENT

Moved by Stranske/Seconded by Orenstein and carried unanimously to adjourn the meeting at 6:00 p.m.

BRUCE BURTON, Mayor

ATTEST:

CATHY MOORHEAD, City Clerk



111 E. COMMERCIAL STREET
WILLITS, CALIFORNIA 95490
(707) 459-4601 TEL
(707) 459-1562 FAX

**WILLITS CITY COUNCIL
MINUTES
WEDNESDAY, DECEMBER 9, 2015**

Mayor Burton called a regular meeting of the City Council to order at 6:33 p.m., in Council Chambers. The meeting was preceded by the pledge to the flag.

Roll Call: Councilmembers Larry Stranske, Madge Strong, Ron Orenstein, and Mayor Bruce Burton were present (*absent - Councilmember Madrigal*).

Also present were staff members: Gerry Gonzalez, Acting City Manager/Police Chief; Jim Lance, City Attorney; Rod Wilburn, Public Works Director; Susie Holmes, Finance Director/City Treasurer; John Sherman, Building Inspector/Code Enforcement Office; and Cathy Moorhead, City Clerk (*absent - City Manager Moore*).

2. PUBLIC COMMUNICATIONS

Willits 4-H member, Keely Ahders invited the community to attend this year's *Wreaths Across America Celebration*, being held at the Willits Cemetery on Saturday, December 12th at 9:00 a.m. The national commemoration Saturday is to honor our fallen veterans.

3A. NOMINATION AND APPOINTMENT OF MAYOR

Public Comment: None.

Moved by Orenstein/Seconded by Stranske and carried (4, with Madrigal absent) to Re-Elect Bruce Burton as Mayor.

MAYOR BURTON PRESIDING

3B. NOMINATION AND APPOINTMENT OF VICE MAYOR

Public Comment: None.

Moved by Burton/Seconded by Strong and carried (3/1, with Stranske dissenting and Madrigal absent) to Re-Elect Ron Orenstein as Vice Mayor.

3C. DISCUSSION AND POSSIBLE ACTION REGARDING APPLICATION FOR AN ALCOHOL BEVERAGE LICENSE – JOHN'S PLACE, 151 N. MAIN STREET

The City Council agreed to receive and file the application from the Department of Alcoholic Beverage Control for an Alcohol Beverage License applied for by John's Place.

Public Comment: None.

No action taken.

4. CONSENT CALENDAR

The following item(s) are recommended for approval:

- a. City Council Minutes:
 - ~~October 14, 2015~~ – *Pulled by City Clerk*
 - ~~October 28, 2015~~ – *Pulled by City Clerk*
 - ~~November 10, 2015~~ – *Special Meeting – Pulled by City Clerk*
- b. Resolution **(No. 2015-25)** approving Memorandum of Understanding between the City and International Brotherhood of Electrical Workers, effective December 9, 2015 – December 31, 2018 – **Approved**
- c. Resolution **(No. 2015-26)** approving and authorizing adjustment to salaries and benefits for unrepresented employees – **Approved**
- d. Resolution **(No. 2015-27)** approving 2014 Mendocino County Multi-Hazard Mitigation Plan including Appendix K for the City of Willits – **Approved**

Moved by Stranske/Seconded by Orenstein and carried (4/1, with Madrigal absent) to approve Consent Calendar items (b, c, & d) item a, pulled by the City Clerk.

5. INFORMATIONAL REPORTS

Matters that do not require action by the City Council but are of public interest.

- a. Disbursements Journal(s):
 - Warrant Nos. 27389-27395, Totaling \$17,609.36
 - Warrant Nos. 27396-27467, Totaling \$237,066.78
 - Warrant Nos. 27468-27472, Totaling \$48163.66
 - Warrant Nos. 27473-27557, Totaling \$393,667.11
 - Warrant Nos. 27558-27569, Totaling \$27,412.17
 - Warrant Nos. 27570-27647, Totaling 327,725.81
- b. Building Inspection Activity Report(s) – October, November 2015
- c. Business License Activity Report(s) – October, November 2015
- d. Water Usage/Revenue Chart(s) – October 2015

6. RIGHT TO APPEAL

None presented.

7. COMMISSIONS, AGENCIES AND AUTHORITIES

None presented.

8A. UPDATE ON EMERGENCY PREPAREDNESS

Acting City Manager/Willits Police Chief Gonzalez reported the city is continuing to work towards updating their Emergency Preparedness Plan and have been in contact with Steve Francis, a local instructor regarding setting up an NIMS Training Class for City employees that are in need of the required training and offering it to other agencies in our area that are also in need of training. Chief Gonzalez also mentioned the City is doing storm preparation and working with the Office of Emergency Services on tracking upcoming storms. The City will have a sand bag station, but citizens are encouraged to get sand bags now and not to wait until the last minute, by then, it may be too late. Chief Gonzalez suggested citizens perhaps purchase additional sand bags, as the city will have only a limited number available for each person.

No action taken.

8B. OTHER VERBAL UPDATES

Acting City Manager/Willits Police Chief, Gonzalez reported the City of Willits has recently hired a full time city planner, Dusty Duley. Mr. Duley will become part of our team, effective January 18th after serving as a contract planner for the city since 2014.

No action taken.

9. DEPARTMENT RECOMMENDATIONS

- a. Administration
 - City Clerk did not report.
 - Finance
 - (1) Discussion and Possible Adoption of Resolution to Authorize the Refunding of the City's Outstanding Sewer Revenue Bond of 1993 (Series A) and Approve and Direct the Execution and Delivery of Certain Financing Documents in Connection Therewith

Public Comment: None.

Moved by Strong/Seconded by Orenstein and carried (4, with Madrigal absent) to adopt Resolution (No. 2015-28) to authorize the funding of the City's Outstanding Sewer Revenues Bond of 1993 (Series A), authorize the execution and delivery of a Loan Agreement with TPB Investments, Inc., and approve other matters in connection with the redemption of the City's Sewer Revenue Bond of 1993 and the refunding.

- Human Resources did not report.
- Legal did not report.
- b. Public Safety
 - (1) Discussion and Possible Approval to Adjust Entry Level Police Recruit Salary to New Salary Range for the Purpose of Attracting More Qualified Applicants

Public Comment: None.

Moved by Strong/Seconded by Orenstein and carried (4, with Madrigal absent) to approve request for salary adjustment for Police Recruit Position from Current Rate to recommended Salary Range. \$14.00 per hour for non prior experience and \$18.00 per hour for 5 or more years of law enforcement related experience. This position would remain temporary and non-benefitted.

- c. Community Development
 - (1) Discussion and Possible Action to Authorize the Filing of Special Assessment Lien on Property Located at 620 South Coast Street for Recovery of Code Enforcement Costs and Administrative Fines

Public Comment: None.

Moved by Strong/Seconded by Stranske and carried (4, with Madrigal absent) to authorize the Code Enforcement Officer to record the lien on property at 620 South Coast Street for recovery of code enforcement costs and administrative fines.

- d. Public Works & Engineering
 - (1) Discussion and Possible Approval of Construction Contract with Flexi-Liner, for Installation of a Tank Liner for the Three Million Gallon Water Tank, in an Amount Not to Exceed \$210,711, and Authorize City Manager to Execute Contract

Public Comment: None.

Moved by Burton/Seconded by Stranske and carried (4, with Madrigal absent) to approve a construction contract with Flexi-Liner, for installation of a tank liner for the Three Million Gallon Water Tank, in an amount not to exceed \$210,711, and authorize City Manager to execute contract.

- Public Works Director Wilburn reported the reservoirs being at 633 acre feet, with significant amount of rainfall predicated within the next few days; A Notice to “Boil Water” was issued to 18 residents in the Walker Road area after a leak was detected Sunday in the tank that supplies water to this area. After the leak was repaired and two separate tests were conducted and came back negative for contaminants, all residents were notified, and the notice was rescinded; Public Works crew has been cleaning out storm drains throughout town, in preparation of upcoming storms; and Mr. Wilburn was pleased to announce that Scott Herman has been appointed as the new Utilities Superintendent, effective next Monday.
- e. Water & Wastewater Systems
 - Mr. Wilburn reported that the new flow meters have been installed at sewer plant to allow real time monitoring. The city is still working on a few minor issues, but the system is expected to be operating by the end of the year. The monitoring will show the inflow for the City as well as Brooktrails, this was part of the lawsuit agreement with the Brooktrails Township Community Service District

10. CITY COUNCIL AND COMMITTEE REPORTS

- a. Mendocino Council of Governments (MCOG) met, with Councilmember Stranske reporting on discussion related to RTIP shares for the 2016 State Transportation Improvement Program (STIP) and future funding cycles, noting Board approval of the recommended funding shares.
- b. Local Agency Formation Commission (LAFCO) – no report presented.
- c. Mendocino Transit Authority (MTA) did not meet. Next regularly scheduled meeting will be held on December 10th.
- d. Mendocino Solid Waste Management Authority-Joint Powers Authority (MSWMA-JPA) did not meet. Next regularly scheduled meeting will be held on January 28th.
- e. Economic Development and Financing Corporation (EDFC) met, Councilmember Strong reported they currently have a record high number off loans at this time, supporting several enterprises in Mendocino County, with Scoops in Willits being one of them; Mendocino Wool Mill Project is still looking for investors through a Direct Public Offering. They are aiming to raise \$250,000 by February, at the present time they have raise \$175,000; and EDFC has moved to a new location on N. Bush Street in Ukiah, and is exploring the possibility of developing a co-work space at the new location.
- f. League of California Cities did not report.
- g. Water & Wastewater Systems Committee did not report.
- h. Revit-ED Committee did not report.
- i. Finance Committee did not report.
Ad Hoc Committees - no reports presented.
- j. Other Committee Reports - no further reports.

11. COUNCIL MEMBER REPORTS AND RECOMMENDATIONS

Mayor Burton commented that he has received a title search for the watershed property. Indicating that the property transferred through numerous owners until 1984 when the City of Willits gained ownership of the Davis Creek Water Shed. Mayor Burton thanked Chris Neary for providing the title search. City Attorney Lance commented on bringing forward a proposal from Alan Lily to a City Council in January to establish Water Rights. Councilmember Stranske thanked Brad Walton for clearing wet leaves from our sidewalks and parking lot on West Mendocino Avenue.

12. ENACTMENT OF ORDINANCES

None presented.

13. GOOD & WELFARE

Councilmember Orenstein invited the community to attend the Tree Lighting Ceremony – Willits Chamber of Commerce Mixer at the Mendocino County Museum on Friday, December 11th @ 5:30 p.m. Councilmember Strong invited the community to attend the Willits Craft Fair this Friday, Saturday and Sunday, December 11th – 13th at the Willits Community Center.

ADJOURNED TO CLOSED SESSION AT 8:04 P.M.

14. CLOSED SESSION NOTICE

- a. Conference with Legal Counsel Pursuant to Government Code §54956.9 – Existing Litigation: People of the State of California and the City of Willits v. Remco Hydraulics, Inc., et al. (United States District Court – Northern District of California, Case No. C-96-6283 SI 12/22/2000)

Mayor Burton excused himself from Closed Session at 8:21 p.m.

Council reconvened to open session at 8:46 p.m., with no action to report from Closed Session.

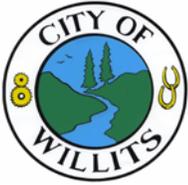
Moved by Orenstein/seconded by Stranske and carried unanimously to adjourn the meeting at 8:47 p.m.

BRUCE BURTON, Mayor

ATTEST:

CATHY MOORHEAD, City Clerk

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Item No. **4b**

Meeting Date: **January 13, 2016**

AGENDA SUMMARY REPORT

To: Honorable Mayor and Council Members

From: Adrienne Moore, City Manager

Agenda Title: APPROVE LETTER SUPPORTING ASSEMBLY BILL 21 (BONTA, COOLEY, JONES-SAWYER, LACKEY, AND WOOD), WHICH SEEKS TO MAINTAIN LOCAL CONTROL IN THE MEDICAL MARIJUANA REGULATION AND SAFETY ACT

Type: Presentation Consent Regular Agenda Public Hearing Urgent Time: N/A

Summary of Request: Assemblymember Jim Wood (D-Healdsburg) on Monday, January 4th, amended AB 21 to address a provision in his AB 243, one of the three bills Governor Brown signed in 2015, that comprise the Medical Marijuana Regulation and Safety Act.

The provision in question would prevent local governments from enacting ordinances or other regulations regarding medical marijuana cultivation. Without this critical clean-up bill, the provision will pre-empt local governments from enacting any kind of local cultivation regulation if they do not have one in effect as of March 1, 2016.

The League of California Cities strongly supports AB 21 and the bill will be on the League's 2016 Hot Bill list. The local pre-emption provision must be eliminated from statute, as it directly contradicts local control. It also conflicts with a critical component of AB 266 (the key measure among the trio of last year's bills enacting medical marijuana regulation), that of dual licensing. Dual licensing requires both state and local governments to authorize medical marijuana business operations in any specific jurisdiction, and is modeled after the regulatory structure in Colorado.

While our existing municipal code does provide local control, as a local jurisdiction it is important to support and maintain local control throughout the state.

Recommended Action: Approve letter supporting Assembly Bill 21 (Bonta, Cooley, Jones-Sawyer, Lackey, and Wood), which seeks to maintain local control in the Medical Marijuana Regulation and Safety Act, and direct staff to transmit to our state legislature.

Alternative(s): Do not support AB 21.

Fiscal Impact: N/A

Personnel Impact: N/A

Reviewed by: City Manager City Attorney Finance Director Human Resources Risk

Council Action: Approved Denied Other: _____

Records: Agreement Resolution # _____ Ordinance # _____ Other _____

January 13, 2016

The Honorable Rob Bonta
Member, California State Assembly
State Capitol – Room 6005
Sacramento, CA 95814

RE: AB 21 (Bonta, Cooley, Jones-Sawyer, Lackey, and Wood) – Medical Marijuana Cultivation (*as amended January 4, 2016*) – Notice of SUPPORT

Dear Assembly Member Bonta:

The City of Willits is pleased to support Assembly Bill 21 (Bonta, Cooley, Jones-Sawyer, Lackey, and Wood).

This measure addresses the need to remove from statute a provision that would harm cities by pre-empting them from enacting cultivation regulations if they do not have such regulations in effect as of March 1, 2016. The provision, Section 11362.777(c)(4) states:

If a city, county, or city and county does not have land use regulations or ordinances regulating or prohibiting the cultivation of marijuana, either expressly or otherwise under principles of permissive zoning, or chooses not to administer a conditional permit program pursuant to this section, then commencing March 1, 2016, the division shall be the sole licensing authority for medical marijuana cultivation applicants in that city, county, or city and county.

This provision is problematic and should not have been included in the final version of last year's Assembly Bill 243 (Wood), as it is inconsistent with other timelines associated with implementing the regulatory framework, namely launching the state cultivation licensing process.

In addition, the above provision directly contradicts the concept of local control, which for the League was a central theme of last year's historic Medical Marijuana Regulation and Safety Act. It also conflicts with a critical component of AB 266 (for the League, the key measure among the trio of last year's bills enacting medical marijuana regulation), that of dual licensing. Dual licensing requires both state and local governments to authorize medical marijuana business operations in any specific jurisdiction, and is modeled after the regulatory structure in Colorado.

Without this legislation removing the pre-emption provision, a number of cities throughout California will suffer harm through the loss of their local regulatory authority after March 1st.

Many of them are now working to craft regulatory ordinances pertaining to medical marijuana cultivation, but need more time than that allotted by the March 1st deadline. Other cities are in the process of researching the issue to determine whether there is sufficient support locally for some form of local regulation of medical marijuana. Finally, this legislation will remove the motivation many jurisdictions have had in recent weeks to rush to enact cultivation bans as a means of preserving their local regulatory authority. Regardless of cities' reaction to this change in the law, the City of Willits strongly desires to retain the ability to decide the rules within its own borders.

Once again, we are pleased to support AB 21.

Sincerely,

Bruce Burton
Mayor

Disbursements Journal

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S	ACCOUNT
		GENERAL CHECK FORM							
27648	12/04/15	MENDO-LAKE CREDIT UN	104 DIRECT DEPOSIT	350.00	525151	151204		P N H	690.237
27649	12/04/15	AFLAC	4036 125 PLAN POLICY PRE	1,190.76	525152	874211		P N H	690.246
27650	12/04/15	MASSMUTUAL RETIREMEN	4870 DEFERRED COMPENSATI	2,348.00	525153	151204		P N H	690.236
27651	12/04/15	FRANCHISE TAX BOARD	695 PAYROLL DEDUCTION TAX	517.15	525154	151204		P N H	690.233
27652	12/04/15	FRANCHISE TAX BOARD	695 PAYROLL DEDUCTION TAX	672.64	525155	151204		P N H	690.233
27653	12/04/15	PERS	256 EMPLOYER CONTRIBUT	10,184.98	525156	151204		P N H	690.229
27653	12/04/15	PERS	256 EMPLOYEE CONTRIBUTI	7,482.56	525156	151204		P N H	690.230
				17,667.54	*CHECK TOTAL				
27654	12/11/15	WAGENET/HAROLD G	4303 WCAC CRAFT FAIR SOUND	250.00	525150	3282		P M H	600.601
		GENERAL CHECK FORM		TOTAL	22,996.09				

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
27655	12/15/15	ACME HOME ELEVATOR I	4474 MAINTENANCE AGREEME	1,292.00	524986	1282946		P N W 600.601
27656	12/15/15	ALESHIRE/CAROLE	.09515 PO BOX FEES	66.00	524985	151106		P N W 600.601
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	84.00	524990	5110840		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	108.00	524991	5110831		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	88.00	524992	5110832		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	234.00	524993	5111586		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	88.00	524994	5111579		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	108.00	524995	5111580		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	104.00	524996	5111675		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	84.00	524997	5111616		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	291.50	524998	5112405		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	384.00	524999	5112529		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	108.00	525000	5112516		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	88.00	525001	5112530		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	234.00	525002	5112528		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	291.50	525003	5113065		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	108.00	525004	5113268		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	84.00	525005	5113269		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 SEWER TEST	88.00	525006	5113267		P N W 501.5013.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 WATER TEST	157.00	525007	5110928		P N W 503.5033.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 WATER TEST	610.00	525008	5110965		P N W 503.5033.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 WATER TEST	1,567.50	525009	5111482		P N W 503.5033.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 WATER TEST	105.00	525010	5111408		P N W 503.5033.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 WATER TEST	50.00	525011	5112081		P N W 503.5033.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 WATER TEST	145.00	525012	5112084		P N W 503.5033.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 WATER TEST	125.00	525013	5112082		P N W 503.5033.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 WATER TEST	55.00	525014	5112085		P N W 503.5033.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 WATER TEST	157.00	525015	5112159		P N W 503.5033.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 WATER TEST	105.00	525016	5112798		P N W 503.5033.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 WATER TEST	160.00	525017	5112867		P N W 503.5033.2061.015
27657	12/15/15	ALPHA ANALYTICAL LAB	7 WATER TEST	55.00	525018	5113115		P N W 503.5033.2061.015
				5,866.50	*CHECK TOTAL			
27658	12/15/15	ARAMARK	4443 RAIN JACKET	78.90	524981	16563833		P N W 100.1011.2101.045
27659	12/15/15	ARAMARK UNIFORM SERV	4065 MATS/RAGS/MOPS	646.02	524982	151130		P N W 100.1016.2199.000
27659	12/15/15	ARAMARK UNIFORM SERV	4065 MATS/RAGS	470.79	524982	151130		P N W 501.5013.2199.000
27659	12/15/15	ARAMARK UNIFORM SERV	4065 MATS	18.26	524982	151130		P N W 100.1040.2081.030
27659	12/15/15	ARAMARK UNIFORM SERV	4065 MATS	18.26	524982	151130		P N W 100.1042.2081.030
27659	12/15/15	ARAMARK UNIFORM SERV	4065 JAIL BLANKETS	26.46	524982	151130		P N W 100.1020.2199.000
				1,179.79	*CHECK TOTAL			
27660	12/15/15	AT&T	4123 POLICE	690.90	524980	7376719		P N W 100.1020.2015.000
27660	12/15/15	AT&T	4123 PUBLIC WORKS	98.52	524980	7376719		P N W 100.1040.2015.000
27660	12/15/15	AT&T	4123 ENGINEERING	98.52	524980	7376719		P N W 100.1042.2015.000
27660	12/15/15	AT&T	4123 POOL	16.63	524980	7376719		P N W 100.1030.2015.000
27660	12/15/15	AT&T	4123 SEWER PLANT	109.83	524980	7376719		P N W 501.5013.2015.000
27660	12/15/15	AT&T	4123 WATER PLANT	70.02	524980	7376719		P N W 503.5030.2015.000

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WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
27660	12/15/15	AT&T	4123 AIRPORT	37.02	524980	7376719		P N W 500.5001.2110.000
27660	12/15/15	AT&T	4123 WCAC	33.87	524980	7376719		P N W 600.601
27660	12/15/15	AT&T	4123 4601-2-3 40%	413.57	524980	7376719		P N W 100.1002.2015.000
27660	12/15/15	AT&T	4123 24%	248.14	524980	7376719		P N W 265.2650.2015.000
27660	12/15/15	AT&T	4123 12%	124.07	524980	7376719		P N W 265.2650.2015.000
27660	12/15/15	AT&T	4123 12%	124.07	524980	7376719		P N W 100.1015.2015.000
27660	12/15/15	AT&T	4123 12%	124.07	524980	7376719		P N W 100.1010.2015.000
27660	12/15/15	AT&T	4123 PLANNING 9341 2/3	24.79	524980	7376719		P N W 265.2650.2015.000
27660	12/15/15	AT&T	4123 1/3	12.39	524980	7376719		P N W 100.1010.2015.000
				2,226.41	*CHECK TOTAL			
27661	12/15/15	AT&T	4615 WATER	176.54	524984	151119		P N W 503.5030.2015.000
27662	12/15/15	AUTO MART AUTO REPAI	4791 VEHICLE MAINT UNIT 24	209.58	524987	19280		P M W 100.1022.2044.000
27662	12/15/15	AUTO MART AUTO REPAI	4791 VEHICLE MAINT UNIT 1,	389.71	524988	19582		P M W 100.1022.2044.000
27662	12/15/15	AUTO MART AUTO REPAI	4791 VEHICLE MAINT UNIT 25	361.38	524989	19514		P M W 100.1022.2044.000
				1,960.67	*CHECK TOTAL			
27663	12/15/15	BARTKIEWICZ,KRONICK	4073 PROFESSIONAL SERVICES	316.00	525079	8729.0001		P N W 100.1004.2081.030
27664	12/15/15	BOWERS/JOSH	4239 WEBSITE MAINT	448.50	525022	141		P M W 100.1002.2081.030
27665	12/15/15	BOWLDS/DARIN	4732 BOOT ALLOWANCE	200.00	525023	338489		P N W 100.1041.2010.000
27666	12/15/15	BROOKTRAILS TOWNSHIP	491 AIRPORT WATER/SEWER	119.03	525025	CIT0001		P N W 500.5001.2111.000
27667	12/15/15	BUD GARMAN CONSTRUCT	4769 MINUS RED LAVA	819.52	525024	12-1360		P M W 100.1041.2101.045
27668	12/15/15	BURDICK/GREG	.09516 CRAFT FAIR BOOTH REFUN	20.00	525019	151101		P N W 600.601
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	199.94	525032	151231		P N W 100.1001.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	995.18	525032	151231		P N W 100.1002.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATI	1,917.65	525032	151231		P N W 100.1003.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	40.90	525032	151231		P N W 100.1006.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	36.35	525032	151231		P N W 100.1010.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	477.14	525032	151231		P N W 100.1011.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	431.70	525032	151231		P N W 100.1015.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	383.98	525032	151231		P N W 100.1016.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATI	5,158.17	525032	151231		P N W 100.1020.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATI	2,163.04	525032	151231		P N W 100.1021.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGAT	14,656.11	525032	151231		P N W 100.1022.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	786.15	525032	151231		P N W 100.1023.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	463.51	525032	151231		P N W 100.1041.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	72.71	525032	151231		P N W 100.1042.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	238.57	525032	151231		P N W 100.1050.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	408.98	525032	151231		P N W 201.2010.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATI	1,458.69	525032	151231		P N W 201.2011.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATI	1,074.70	525032	151231		P N W 201.2012.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	811.14	525032	151231		P N W 202.2020.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	72.71	525032	151231		P N W 213.2133.1014.000

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	790.69	525032	151231		P N W 501.5010.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATI	1,117.87	525032	151231		P N W 501.5011.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATI	2,962.82	525032	151231		P N W 501.5013.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	156.77	525032	151231		P N W 501.5014.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	181.77	525032	151231		P N W 501.5015.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	892.94	525032	151231		P N W 503.5030.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATI	1,079.25	525032	151231		P N W 503.5031.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATI	2,347.08	525032	151231		P N W 503.5033.1014.000
27669	12/15/15	CALPERS	4985 RETIREMENT OBLIGATION	204.49	525032	151231		P N W 503.5034.1014.000
				41,581.00	*CHECK TOTAL			
27670	12/15/15	CANON FINANCIAL SERV	4784 GRAPHICS EQUIPMENT	158.06	525029	15590017		P N W 100.1042.2095.000
27670	12/15/15	CANON FINANCIAL SERV	4784 GRAPHICS EQUIPMENT	158.06	525029	15590017		P N W 100.1040.2095.000
				316.12	*CHECK TOTAL			
27671	12/15/15	CANON SOLUTIONS AMER	4988 COPIER MAINT	47.15	525026	4017692750		P N W 503.5033.2055.000
27672	12/15/15	CEB	4280 LEGAL UPDATES	240.06	525036	10454838		P N W 100.1004.2050.000
27673	12/15/15	CERATTO/MICHAEL	4787 WCAC JANITORIAL	198.75	525033	932628		P M W 600.601
27674	12/15/15	CLEARLY MENDOCINO WA	4221 PD WATER - NOVEMBER	112.50	525027	151130		P M W 100.1020.2199.000
27675	12/15/15	CLELAND/DEANNA	.09517 RENTAL REFUND	100.00	525035	151208		P N W 600.601
27676	12/15/15	COAST HARDWARE	31 TRASH CAN/CABLE TIES/G	88.28	525039	151130		P N W 100.1050.2041.000
27676	12/15/15	COAST HARDWARE	31 EQUIP MAINT	211.40	525039	151130		P N W 501.5013.2041.000
27676	12/15/15	COAST HARDWARE	31 MISC SUPPLIES	258.11	525039	151130		P N W 503.5031.2041.000
27676	12/15/15	COAST HARDWARE	31 K-9 KENNEL CONST	141.03	525039	151130		P N W 651.6510.2199.000
				698.82	*CHECK TOTAL			
27677	12/15/15	COASTLAND ENGINEERIN	4145 ENGINEERING SVCS	1,247.50	525034	38473		P N W 100.1015.2081.030
27678	12/15/15	COMCAST	4575 CITY HALL INTERNET	262.55	525030	151204		P N W 100.1003.2041.000
27679	12/15/15	COMPUTER WORKS OF UK	4230 IT SERVICES	575.50	525038	3711		P M W 100.1003.2081.030
27680	12/15/15	COUNTY OF MENDOCINO	33 JC ELEC SVC - OCTOBER	799.99	525028	2015-10		P N W 100.1020.2110.000
27680	12/15/15	COUNTY OF MENDOCINO	33 JC WATER SVC - OCTOBER	79.20	525028	2015-10		P N W 100.1020.2110.000
27680	12/15/15	COUNTY OF MENDOCINO	33 JC GARBAGE SVC - OCTOB	78.50	525028	2015-10		P N W 100.1020.2110.000
				957.69	*CHECK TOTAL			
27681	12/15/15	COUNTY OF MENDOCINO	390 HEP COMBO VAC - SCOTT	60.00	525073	151214		P N W 100.1005.2061.013
27681	12/15/15	COUNTY OF MENDOCINO	390 HEP COMBO VAC- K O'SHE	60.00	525074	151214		P N W 100.1005.2061.013
				120.00	*CHECK TOTAL			
27682	12/15/15	COUNTY OF MENDOCINO	4133 MO SVC AGREE - NOVEMB	660.00	525031	201511-2		P N W 100.1020.2081.030
27682	12/15/15	COUNTY OF MENDOCINO	4133 HOURLY SUPPORT - NOVE	411.12	525031	201511-2		P N W 100.1020.2081.030
27682	12/15/15	COUNTY OF MENDOCINO	4133 SERVICE CREDIT	250.00CR	525031	201511-2		P N W 100.1020.2081.030
				821.12	*CHECK TOTAL			

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GENERAL CHECK FORM								
27683	12/15/15	COUNTY OF MENDOCINO	5004 IT SERVICES	1,191.45	525037	201511-6		P N W 100.1003.2081.030
27684	12/15/15	DEEP VALLEY SECURITY	40 POLICE ALARM SYS	120.00	525041	286708		P N W 100.1020.2081.030
27684	12/15/15	DEEP VALLEY SECURITY	40 ALAM INSTALL	7.57	525042	287879		P N W 100.1020.2081.030
27684	12/15/15	DEEP VALLEY SECURITY	40 SECURITY	43.95	525043	286880		P N W 100.1040.2081.030
27684	12/15/15	DEEP VALLEY SECURITY	40 SECURITY	43.95	525043	286880		P N W 100.1042.2081.030
				215.47	*CHECK TOTAL			
27685	12/15/15	DELL MARKETING L.P.	4485 COMPUTERS FOR BRIEF	1,631.96	525044	XJTMGTNF9		P M W 651.6510.2199.000
27686	12/15/15	DUBOIS/KATHRYN	.09518 CRAFT FAIR BOOTH REFUN	20.00	525040	151101		P N W 600.601
27687	12/15/15	EEL RIVER FUELS	28 FUEL	875.23	525046	447556		P N W 100.125
27687	12/15/15	EEL RIVER FUELS	28 DIESEL FUEL	161.37	525047	447559		P N W 100.126
27687	12/15/15	EEL RIVER FUELS	28 DIESEL FUEL	21.90	525048	442410		P N W 100.126
27687	12/15/15	EEL RIVER FUELS	28 FUEL	663.79	525049	442412		P N W 100.125
				1,722.29	*CHECK TOTAL			
27688	12/15/15	EUREKA OXYGEN CO.	4492 EQUIP MAINT	149.62	525045	U 127475		P N W 501.5013.2101.034
27689	12/15/15	FERNANDEZ/VERONICA	.09519 WATER DEPOSIT REFUND	27.59	525051	10105500022		P N W 503.111
27690	12/15/15	FISHER WIRELESS	4105 PD RADIO MAINT	1,266.30	525050	1832		P N W 100.1020.2041.000
27691	12/15/15	GASTEN/BOB OR PRISCI	.09520 CRAFT FAIR BOOTH REFUN	20.00	525058	151101		P N W 600.601
27692	12/15/15	GOLDEN STATE OVERNIG	4728 EVIDENCE SHIPPING	6.18	525055	2956415		P N W 100.1022.2101.031
27693	12/15/15	GOSSETT ALARM, CORP.	4457 WCAC ALARM	551.00	525057	151120		P N W 600.601
27694	12/15/15	GRAINGER	173 CREDIT RETURN	148.26CR	525052	9897176237		P M W 501.5013.2041.000
27694	12/15/15	GRAINGER	173 RAINWEAR	126.30	525053	9909171523		P M W 100.1041.2101.033
27694	12/15/15	GRAINGER	173 RAINWEAR	244.00	525054	9909171531		P M W 100.1041.2101.033
				222.04	*CHECK TOTAL			
27695	12/15/15	GROUNDWATER & ENVIRO	4939 MONITORING/SAMPLING	1,838.60	525056	745675		P N W 201.2011.2081.030
27696	12/15/15	HARRIS/ANTHONY	.09521 WATER DEPOSIT REFUND	14.27	525059	10401043005		P N W 503.111
27697	12/15/15	HOLMES/SUSAN	4894 PER DIEM 12/1/2015	25.00	525060	151207		P N W 100.1003.2105.000
27697	12/15/15	HOLMES/SUSAN	4894 PER DIEM 12/2/2015	18.00	525060	151207		P N W 100.1003.2105.000
27697	12/15/15	HOLMES/SUSAN	4894 PER DIEM 12/3/2015	18.00	525060	151207		P N W 100.1003.2105.000
27697	12/15/15	HOLMES/SUSAN	4894 PER DIEM 12/4/2015	25.00	525060	151207		P N W 100.1003.2105.000
27697	12/15/15	HOLMES/SUSAN	4894 MILEAGE	69.00	525060	151207		P N W 100.1003.2105.000
				155.00	*CHECK TOTAL			
27698	12/15/15	INTEGRITY SHRED LLC	4932 SHREDDING SERVICE	50.00	525061	54207		P N W 100.1002.2055.000

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GENERAL CHECK FORM								
27699	12/15/15	JD REDHOUSE	4223 K-9 SUPPLIES-NOV 2015	267.03	525062	151130		P N W 661.6610.2199.000
27700	12/15/15	JONES/VINCENT J	.09522 WATER DEPOSIT REFUND	62.40	525063	10404070002		P N W 503.111
27701	12/15/15	LANCE/JAMES H.	4054 LEGAL SERVICES	3,870.00	525064	3139		P M W 100.1004.2081.030
27702	12/15/15	LES SCHWAB TIRES INC	4015 VEHICLE MAINT UNIT 24	124.11	525070	63700109737		P N W 100.1022.2044.000
27702	12/15/15	LES SCHWAB TIRES INC	4015 VEHICLE MAINT UNIT 247	26.00	525071	63700111287		P N W 100.1022.2044.000
				150.11	*CHECK TOTAL			
27703	12/15/15	LITTLE LAKE AUTO PAR	46 EQUIP MAINT	50.87	525069	151130		P N W 100.1041.2041.000
27703	12/15/15	LITTLE LAKE AUTO PAR	46 AUTO MAINT SUPPLIES	68.10	525069	151130		P N W 100.1040.2041.000
27703	12/15/15	LITTLE LAKE AUTO PAR	46 AUTO MAINT SUPPLIES	588.76	525069	151130		P N W 501.5011.2041.000
27703	12/15/15	LITTLE LAKE AUTO PAR	46 AUTO MAINT SUPPLIES	154.42	525069	151130		P N W 501.5013.2041.000
27703	12/15/15	LITTLE LAKE AUTO PAR	46 EQUIP MAINT	1.07	525069	151130		P N W 503.5031.2041.000
27703	12/15/15	LITTLE LAKE AUTO PAR	46 VEHICLE MAINT	19.32	525069	151130		P N W 100.1050.2041.000
				882.54	*CHECK TOTAL			
27704	12/15/15	LITTLE LAKE FIRE DIS	650 PLAN CHECK FEE	1,850.00	525065	151207		P N W 600.604
27705	12/15/15	LSQ FUNDING GROUP LC	4991 PW MAINT WORKER	614.16	525066	149		P N W 100.1050.2081.030
27705	12/15/15	LSQ FUNDING GROUP LC	4991 PW MAINT WORKER	1,023.60	525067	164		P N W 100.1050.2081.030
27705	12/15/15	LSQ FUNDING GROUP LC	4991 PW MAINT WORKER	1,023.60	525068	134		P N W 100.1050.2081.030
				2,661.36	*CHECK TOTAL			
27706	12/15/15	MAUGHS/DEBBIE	.09523 CLEANING DEPOSIT REFU	300.00	525075	151207		P N W 600.602
27707	12/15/15	MCC CONTROL SYSTEMS	4682 CELLULAR TELEMETRY	15,000.00	525077	2001908		P N W 503.5031.4003.038
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	96.56	525078	151130		P N W 100.1016.2045.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	3.13	525078	151130		P N W 100.1016.2055.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	32.69	525078	151130		P N W 100.1016.2199.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	56.24	525078	151130		P N W 100.1041.2010.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	119.95	525078	151130		P N W 100.1041.2101.045
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	8.38	525078	151130		P N W 100.1042.2055.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	140.00	525078	151130		P N W 100.1050.2041.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	91.02	525078	151130		P N W 201.2011.2041.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	42.54	525078	151130		P N W 201.2012.2041.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	46.70	525078	151130		P N W 500.5001.2041.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	5.90	525078	151130		P N W 501.5011.2041.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	41.73	525078	151130		P N W 501.5013.2010.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	1,596.39	525078	151130		P N W 501.5013.2041.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	319.21	525078	151130		P N W 501.5013.4003.001
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	24.00	525078	151130		P N W 503.5031.2041.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	57.31	525078	151130		P N W 503.5031.4003.038
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	14.51	525078	151130		P N W 503.5031.2101.045
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	31.12	525078	151130		P N W 503.5033.2041.000
27708	12/15/15	MENDO MILL & LUMBER	101 MONTHLY STATEMENT	714.66	525078	151130		P N W 651.6510.2199.000
				3,442.04	*CHECK TOTAL			

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GENERAL CHECK FORM								
27709	12/15/15	MEZA/DAISY	.09524 RENTAL REFUND	75.00	525076	151207		P N W 100.1016.7250.000
27710	12/15/15	MR. ROOTER PLUMBING	4753 WCAC PLUMBING SERVICE	220.00	525072	7336		P N W 600.601
27711	12/15/15	MUNICIPAL MAINTENANC	4305 HYRAULIC MOTOR/COUP	3,309.50	525081	0106076-IN		P N W 501.5011.2041.000
27711	12/15/15	MUNICIPAL MAINTENANC	4305 CREDIT/DUPLICATE PAYM	217.67CR	525082	102958-IN		P N W 501.5011.2041.000
				3,091.83	*CHECK TOTAL			
27712	12/15/15	NATIONAL METER & AUT	4196 SERVICE AGREEMENT	450.00	525086	S1066546.001		P N W 503.5031.2041.000
27713	12/15/15	NICKOLAUS & HAEG, LL	4432 LEGAL SERVICES	1,075.00	525085	151130		P M W 100.1005.2081.030
27714	12/15/15	NIDEROST/GREG OR DAR	.09525 WATER DEPOSIT REFUND	75.00	525083	10300210002		P N W 503.111
27715	12/15/15	NOR-CAL RECYCLED ROC	4067 STAMPED BLOCK	583.88	525088	10937		P N W 201.2012.2101.045
27715	12/15/15	NOR-CAL RECYCLED ROC	4067 CONCRETE	516.69	525089	10938		P N W 501.5013.4003.001
27715	12/15/15	NOR-CAL RECYCLED ROC	4067 SLURRY	1,124.50	525090	10939		P N W 501.5013.4003.001
				2,225.07	*CHECK TOTAL			
27716	12/15/15	NORTHERN AGGREGATES	326 COBBLES	877.15	525087	48486		P N W 201.2012.2101.045
27717	12/15/15	NUNEZ/ESTER	.09526 WATER DEPOSIT REFUND	33.81	525084	10400620008		P N W 503.111
27718	12/15/15	ORATECH CONTROLS INC	5005 TELEMETRY UPGRADE	7,597.04	525091	21344	003740	P N W 501.5013.4003.001
27719	12/15/15	P G & E COMPANY	114 CITY HALL	1,231.69	525093	151124		P N W 100.1016.2110.000
27719	12/15/15	P G & E COMPANY	114 PD RADIO	9.53	525093	151124		P N W 100.1020.2110.000
27719	12/15/15	P G & E COMPANY	114 PUBLIC WORKS	403.04	525093	151124		P N W 100.1040.2110.000
27719	12/15/15	P G & E COMPANY	114 ENGINEERING	85.44	525093	151124		P N W 100.1042.2110.000
27719	12/15/15	P G & E COMPANY	114 PARKS	800.25	525093	151124		P N W 100.1050.2110.000
27719	12/15/15	P G & E COMPANY	114 STREET LIGHTS	5,488.46	525093	151124		P N W 201.2010.2110.000
27719	12/15/15	P G & E COMPANY	114 AIRPORT	351.82	525093	151124		P N W 500.5001.2110.000
27719	12/15/15	P G & E COMPANY	114 SP COLLECTION	40.99	525093	151124		P N W 501.5011.2110.000
27719	12/15/15	P G & E COMPANY	114 SEWER	10,396.11	525093	151124		P N W 501.5013.2110.000
27719	12/15/15	P G & E COMPANY	114 WATER	1,149.67	525093	151124		P N W 503.5033.2110.000
				19,957.00	*CHECK TOTAL			
27720	12/15/15	PACE SUPPLY CORP	12 PLUMBING SUPPLIES	280.19	525098	23014050		P N W 503.5031.4003.038
27720	12/15/15	PACE SUPPLY CORP	12 TRAFFIC LID WATER BOL	116.84	525099	23031440		P N W 503.5031.2101.038
27720	12/15/15	PACE SUPPLY CORP	12 SLUDGE PUMP	938.47	525100	23045940		P N W 501.5011.2041.000
27720	12/15/15	PACE SUPPLY CORP	12 GASKET/BOLT SET	179.35	525101	23047641		P N W 501.5013.4003.001
27720	12/15/15	PACE SUPPLY CORP	12 WATERTIGHT PIPE	426.16	525102	23051248		P N W 503.5031.2041.000
				1,941.01	*CHECK TOTAL			
27721	12/15/15	PACIFIC INTERNET INC	1442 EMAIL SERVICE	3.40	525092	151125		P N W 100.1003.2041.000
27722	12/15/15	PACIFIC TELEMANAGEME	4767 AIRPORT PAYPHONE	50.00	525096	798816		P M W 500.5001.2110.000

Disbursements Journal

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
27723	12/15/15	PEALATERE/JACKIE	.09527 CRAFT FAIR BOOTH REFUN	20.00	525095	151101		P N W 600.601
27724	12/15/15	PERPETUAL ENERGY SYS	4254 WATER PLANT SOLAR	6,119.33	525094	WIL-1511		P N W 503.5033.2110.000
27725	12/15/15	PLATT	4506 ELECTRICAL TESTER	205.44	525097	I225186		P N W 501.5011.2041.000
27726	12/15/15	R E M I F	135 EAP INS PREMIUM	136.00	525108	151209		P N W 690.231
27726	12/15/15	R E M I F	135 LIFE INS PREMIUM	499.55	525108	151209		P N W 690.231
27726	12/15/15	R E M I F	135 PROPERTY INSURANCE	27,815.32	525109	151207		P N W 100.1002.2031.000
				28,450.87	*CHECK TOTAL			
27727	12/15/15	R J RICCIARDI INC	4153 AUDIT SERVICES	6,289.54	525110	9392		P N W 100.1003.2081.030
27728	12/15/15	R WAYNE BASHORE CONS	5003 OFFICE REMODEL	5,911.00	525020	151130		P M W 100.1097.6001.000
27729	12/15/15	RAMMING/TIM	127 POSTERS/POSTCARDS	82.18	525103	4431		P M W 600.601
27729	12/15/15	RAMMING/TIM	127 LETTERS	227.06	525104	4501		P M W 600.601
27729	12/15/15	RAMMING/TIM	127 POSTERS/POSTCARDS	162.19	525105	4428		P M W 600.601
				471.43	*CHECK TOTAL			
27730	12/15/15	RAMSEY/DAN	4773 AIRPORT MGMT SVC	1,833.00	525111	151130		P M W 500.5001.2081.030
27730	12/15/15	RAMSEY/DAN	4773 LIABILITY INS	1,000.00	525111	151130		P N W 500.5001.2031.000
27730	12/15/15	RAMSEY/DAN	4773 MILEAGE REIMBURSEMENT	184.00	525111	151130		P M W 500.5001.2041.000
				3,017.00	*CHECK TOTAL			
27731	12/15/15	RENO/SIENNA	.09528 CRAFT FAIR BOOTH REFUN	20.00	525112	151101		P N W 600.601
27732	12/15/15	RIVER/MARLANA	.09529 CRAFT FAIR BOOTH REFUN	40.00	525113	151101		P N W 600.601
27733	12/15/15	RUCKMAN/JUNE	4779 FILING CA.GOV	20.00	525106	151203		P N W 600.601
27733	12/15/15	RUCKMAN/JUNE	4779 FILING IRS.GOV	400.00	525106	151203		P N W 600.601
27733	12/15/15	RUCKMAN/JUNE	4779 FILING CA.GOV	25.00	525106	151203		P N W 600.601
27733	12/15/15	RUCKMAN/JUNE	4779 EQUIPMENT	75.68	525106	151203		P N W 600.601
27733	12/15/15	RUCKMAN/JUNE	4779 BANKING DEPOSIT	100.00	525106	151203		P N W 600.601
27733	12/15/15	RUCKMAN/JUNE	4779 BULBS	77.79	525107	J91348		P N W 600.601
				698.47	*CHECK TOTAL			
27734	12/15/15	SANDERS/CATHY	4420 PER DIEM 12/1/2015	25.00	525124	151201		P N W 100.1001.2105.000
27734	12/15/15	SANDERS/CATHY	4420 PER DIEM 12/2/2015	18.00	525124	151201		P N W 100.1001.2105.000
27734	12/15/15	SANDERS/CATHY	4420 PER DIEM 12/3/2015	18.00	525124	151201		P N W 100.1001.2105.000
27734	12/15/15	SANDERS/CATHY	4420 PER DIEM 12/4/2015	25.00	525124	151201		P N W 100.1001.2105.000
				86.00	*CHECK TOTAL			
27735	12/15/15	SCOTT'S TANKS	4275 BOLT KIT/PVC PIPE CON	185.78	525119	33955		P M W 501.5013.2041.000
27736	12/15/15	SHAPIRO, GALVIN,	5002 PERSONNEL MATTERS	910.15	525123	20752		P N W 100.1004.2081.030
27737	12/15/15	SILVA SEPTIC INC	4577 PORTABLE RESTROOM REN	173.00	525118	61750		P N W 501.5013.2081.030

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
27738	12/15/15	SILVA/MARIA	.09531 WATER DEPOSIT REFUND	45.39	525120	10202560007		P N W 503.111
27739	12/15/15	SIMMONDS/GLORIA	.09530 CRAFT FIAR BOOTH REFUN	90.00	525114	151101		P N W 600.601
27740	12/15/15	SOLID WASTE OF WILLI	330 BIN SERVICE	216.02	525115	96		P M W 501.5013.2199.000
27740	12/15/15	SOLID WASTE OF WILLI	330 DISPOSAL FEES	36.00	525116	95		P M W 100.1041.2101.045
27740	12/15/15	SOLID WASTE OF WILLI	330 DISPOSAL FEES	56.00	525117	11		P M W 201.2012.2101.045
27740	12/15/15	SOLID WASTE OF WILLI	330 DISPOSAL FEES	40.75	525117	11		P M W 100.1016.2045.000
27740	12/15/15	SOLID WASTE OF WILLI	330 DISPOSAL FEES	2.00	525117	11		P M W 100.1041.2101.045
				350.77	*CHECK TOTAL			
27741	12/15/15	STATE OF CALIFORNIA	534 CON CREW	3,472.90	525127	131016		P N W 503.5033.2101.038
27741	12/15/15	STATE OF CALIFORNIA	534 CON CREW	868.22	525127	131016		P N W 201.2012.2101.045
				4,341.12	*CHECK TOTAL			
27742	12/15/15	STATE OF CALIFORNIA	843 DUI ANALYSIS	35.00	525125	134250		P N W 100.1020.2061.014
27742	12/15/15	STATE OF CALIFORNIA	843 LIVESCAN	64.00	525126	135512		P N W 100.1005.2061.013
				99.00	*CHECK TOTAL			
27743	12/15/15	STATE WATER RESOURCE	4392 SAFE DRINKING WATE	52,959.46	525122	S1601196		P N W 503.5038.3001.000
27744	12/15/15	STEEL/RECQUEL	.09532 WATER DEPOSIT REFUND	62.40	525121	10400460007		P N W 503.111
27745	12/15/15	THOMSON REUTERS - WE	4122 LEGAL UPDATES	424.64	524983	833029269		P N W 100.1004.2050.000
27746	12/15/15	UNIVAR USA INC	655 POT PERMANG	9,504.00	525128	SJ720131		P N W 503.5033.2101.034
27746	12/15/15	UNIVAR USA INC	655 FERRIC CHLORIDE	3,062.30	525129	SJ720805		P N W 503.5033.2101.034
27746	12/15/15	UNIVAR USA INC	655 FERRIC CHLORIDE	812.82	525130	SJ720498		P N W 503.5033.2101.034
				13,379.12	*CHECK TOTAL			
27747	12/15/15	UTILITY SUPPLY OF AM	3997 DICKSON CHART	91.65	525131	817717		P N W 503.5033.2041.000
27747	12/15/15	UTILITY SUPPLY OF AM	3997 CHART/WIPES/PRESSURE	769.53	525132	817503		P N W 503.5031.2041.000
27747	12/15/15	UTILITY SUPPLY OF AM	3997 MULTISTAGE PUMP	2,424.60	525133	811114	003739	P N W 501.5011.2041.000
27747	12/15/15	UTILITY SUPPLY OF AM	3997 FILTER/ALKALINITY TES	358.31	525134	812659		P N W 501.5013.2101.034
				3,644.09	*CHECK TOTAL			
27748	12/15/15	WESTAMERICA BANK	4161 PRINCIPAL	4,155.53	525138	151126		P N W 501.5011.3001.000
27748	12/15/15	WESTAMERICA BANK	4161 INTEREST	155.26	525138	151126		P N W 501.5011.3002.000
				4,310.79	*CHECK TOTAL			
27749	12/15/15	WILLITS KIDS CLUB	3981 PAYROLL DEDUCTION	20.00	525135	151204		P N W 690.248
27750	12/15/15	WILLITS ONLINE LLC	4108 WCAC INTERNET	181.03	525137	410722		P N W 600.601
27751	12/15/15	WILLITS POWER	1245 GENERATOR REPAIR	394.11	525139	340641		P M W 501.5013.2041.000
27751	12/15/15	WILLITS POWER	1245 GAL MIX	38.88	525140	339918		P M W 201.2012.2041.000
27751	12/15/15	WILLITS POWER	1245 BOOT TRAY/BATTERY/BULB	43.74	525141	342139		P M W 100.1016.2041.000
27751	12/15/15	WILLITS POWER	1245 POTSDAM JACKET	183.81	525142	338524		P M W 501.5011.2101.033
				660.54	*CHECK TOTAL			

Disbursements Journal

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
27752	12/15/15	WILSON/BILL	4363 LODGING FOR TRAINING	178.36	525136	3216223839		P N W 503.5033.2105.000
27752	12/15/15	WILSON/BILL	4363 MILEAGE TRAINING	247.25	525136	3216223839		P N W 503.5033.2105.000
27752	12/15/15	WILSON/BILL	4363 MILEAGE TRAINING	218.50	525136	3216223839		P N W 503.5033.2105.000
				644.11	*CHECK TOTAL			
27753	12/15/15	XEROX BUSINESS SERVI	4947 CASS CERTIFICATION	330.08	525144	1215528		P N W 503.5030.2055.000
27753	12/15/15	XEROX BUSINESS SERVI	4947 MONTHLY NEW VISION	3,748.69	525145	1216694		P N W 100.1003.2041.000
				4,078.77	*CHECK TOTAL			
27754	12/15/15	YUSEM/RACHEL ARAMA	.09533 CRAFT FAIR BOOTH REFUN	20.00	525143	151101		P N W 600.601
27755	12/15/15	101 TRAILER AND RV	474 JACK	75.64	525146	128918		P N W 100.1041.2041.000
27755	12/15/15	101 TRAILER AND RV	474 BALL	21.07	525147	128914		P N W 503.5033.2041.000
27755	12/15/15	101 TRAILER AND RV	474 RATCHET/HOOK MOUNT/BA	209.56	525148	129110		P N W 501.5013.2041.000
27755	12/15/15	101 TRAILER AND RV	474 SOLAR KIT	103.75	525149	129123		P N W 501.5013.2041.000
				410.02	*CHECK TOTAL			
GENERAL CHECK FORM			TOTAL	275,606.44				

Disbursements Journal

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
27756	12/16/15	KILLION/FRED	4607 CITY HALL JANITORIAL	800.00	525248	151209		P M H 100.1016.2061.020
27757	12/18/15	MENDO-LAKE CREDIT UN	104 DIRECT DEPOSIT	350.00	525249	151217		P N H 690.237
27758	12/18/15	AFLAC	4036 125 PLAN POLICY PRE	1,190.76	525250	49842		P N H 690.246
27759	12/18/15	MASSMUTUAL RETIREMEN	4870 DEFERRED COMPENSATI	2,348.00	525251	151218		P N H 690.236
27760	12/18/15	FRANCHISE TAX BOARD	695 PAYROLL DEDUCTION	575.73	525252	151218		P N H 690.233
27761	12/18/15	FRANCHISE TAX BOARD	695 PAYROLL DEDUCTION	672.64	525253	151218		P N H 690.233
27762	12/18/15	PERS	256 EMPLOYER CONTRIBUTI	9,788.93	525254	151217		P N H 690.229
27762	12/18/15	PERS	256 EMPLOYEE CONTRIBUTI	7,072.08	525254	151217		P N H 690.230
				16,861.01	*CHECK TOTAL			
27763	12/18/15	HARRIS/KAREN	4674 ADV DISABILITY PENS	2,926.80	525255	151218		P N H 100.1022.1014.000
GENERAL CHECK FORM								
			TOTAL	25,724.94				

Disbursements Journal

WARRANT DATE VENDOR

DESCRIPTION

AMOUNT

CLAIM

INVOICE

PO#

F 9 S ACCOUNT

REPORT TOTALS:

25,724.94

RECORDS PRINTED - 000009

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
27764	12/31/15	AFLAC	4036 125 PLAN - POLICY P	1,190.76	525215	245598		P N W 690.246
27765	12/31/15	ALL THE KING'S FLAGS	4574 REPLACEMENT FLAGS	314.12	525157	71910		P N W 100.1016.2045.000
27766	12/31/15	ARAMARK	4443 WORK SHIRTS	143.20	525158	16565291		P N W 100.1041.2041.000
27767	12/31/15	AT&T	4123 DISPATCH PHONES	19.88	525197	7377100		P N W 100.1020.2015.000
27768	12/31/15	AT&T	4615 WATER	176.54	525241	151219		P N W 503.5030.2015.000
27769	12/31/15	BANK OF AMERICA	10 OFFICE SUPPLIES	71.12	525240	151218		P N W 100.1002.2055.000
27769	12/31/15	BANK OF AMERICA	10 HEATER	29.18	525240	151218		P N W 100.1003.2055.000
27769	12/31/15	BANK OF AMERICA	10 TREE LIGHTS	291.82	525240	151218		P N W 100.1041.2101.045
27769	12/31/15	BANK OF AMERICA	10 CONF TRANS/PARKING/LO	547.17	525240	151218		P N W 100.1003.2105.000
27769	12/31/15	BANK OF AMERICA	10 CONF TRANS/PARKING/LO	306.74	525240	151218		P N W 100.1001.2105.000
27769	12/31/15	BANK OF AMERICA	10 MEMBERSHIP DUES	110.00	525240	151218		P N W 100.1003.2050.000
27769	12/31/15	BANK OF AMERICA	10 FUEL	30.00	525240	151218		P N W 503.5033.2105.000
27769	12/31/15	BANK OF AMERICA	10 WATER PLANT INTERNET	49.99	525240	151218		P N W 503.5030.2015.000
27769	12/31/15	BANK OF AMERICA	10 DISPATCH SUPPLIES	485.45	525240	151218		P N W 651.6510.2199.000
				1,921.47	*CHECK TOTAL			
27770	12/31/15	BUD GARMAN CONSTRUCT	4769 DUMP TRUCK	250.00	525159	12-1381		P M W 100.1041.2101.045
27771	12/31/15	CANTRELL/TATIANA	.09534 REFUND CLEANING DEPOS	104.24	525168	151229		P N W 600.602
27772	12/31/15	CHEVRON USA, INC.	27 FUEL	130.94	525203	46214809		P N W 100.1022.2044.000
27773	12/31/15	CLEARLY MENDOCINO WA	4221 WATER-DEC 2015	75.00	525202	151231		P M W 100.1020.2199.000
27774	12/31/15	COLLEGE OF THE REDWO	5007 LODGING/1ST PAYMENT	500.00	525201	LABUS		P N W 651.6510.2199.000
27775	12/31/15	COUNTY OF MENDOCINO	33 JC ELEC SVC NOV.	702.45	525199	2015-11		P N W 100.1020.2110.000
27775	12/31/15	COUNTY OF MENDOCINO	33 JC WATER SVC NOV	79.20	525199	2015-11		P N W 100.1020.2110.000
27775	12/31/15	COUNTY OF MENDOCINO	33 JC GARBAGE SVC NOV	78.50	525199	2015-11		P N W 100.1020.2110.000
				860.15	*CHECK TOTAL			
27776	12/31/15	COUNTY OF MENDOCINO	197 COURT/STATE FEE-PARKIN	37.50	525200	151125		P N W 100.1020.2081.030
27777	12/31/15	COUNTY OF MENDOCINO	4287 HAZARDOUS MATERIALS	1,007.00	525160	EH29219		P N W 500.5001.2001.003
27777	12/31/15	COUNTY OF MENDOCINO	4287 SOLID WASTE PERMIT	5,474.00	525161	EH28694		P N W 213.2130.2001.003
27777	12/31/15	COUNTY OF MENDOCINO	4287 SOLID WASTE PERMIT	540.00	525162	EH28683		P N W 213.2130.2001.003
27777	12/31/15	COUNTY OF MENDOCINO	4287 HAZARDOUS MATERIALS P	865.00	525163	EH29199		P N W 100.1041.2001.003
27777	12/31/15	COUNTY OF MENDOCINO	4287 HAZARDOUS MATERIALS P	865.00	525164	EH29224		P N W 501.5013.2001.003
27777	12/31/15	COUNTY OF MENDOCINO	4287 HARDOUS MATERIAL PE	1,221.00	525247	EH29223		P N W 503.5030.2001.003
				9,972.00	*CHECK TOTAL			
27778	12/31/15	CRITICAL REACH	4557 ANNUAL SUPPORT	285.00	525198	16-602		P N W 100.1020.2015.000

Disbursements Journal

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
27779	12/31/15	CURRY'S DISCOUNT INC	4198 OFFICE SUPPLIES	841.11	525165	151130		P N W 100.1002.2055.000
27779	12/31/15	CURRY'S DISCOUNT INC	4198 OFFICE SUPPLIES	49.79	525165	151130		P N W 100.1042.2055.000
27779	12/31/15	CURRY'S DISCOUNT INC	4198 TONER/PAPER/FOLDERS	1,031.18	525204	151130		P N W 100.1020.2055.000
				1,922.08	*CHECK TOTAL			
27780	12/31/15	D'ORAZIO/RENAULD	4928 PER DIEM 1/24-29/2016	240.00	525205	151229		P N W 100.1020.2105.000
27781	12/31/15	DOWNTOWN FORD SALES	4996 UTILITY TRUCK	36,456.84	525166	234309	003724	P N W 501.5011.4002.000
27781	12/31/15	DOWNTOWN FORD SALES	4996 UTILITY TRUCK	36,456.84	525167	234267	003724	P N W 501.5013.4002.000
				72,913.68	*CHECK TOTAL			
27782	12/31/15	EEL RIVER FUELS	28 FUEL	591.69	525169	450796		P N W 100.125
27782	12/31/15	EEL RIVER FUELS	28 DIESEL FUEL	321.45	525170	450830		P N W 100.126
27782	12/31/15	EEL RIVER FUELS	28 FUEL	1,005.25	525171	450845		P N W 100.125
				1,918.39	*CHECK TOTAL			
27783	12/31/15	FLOWERS BY ANNETTE	53 FLOWERS	77.80	525172	30555		P M W 100.1005.2199.000
27784	12/31/15	FRANCHISE TAX BOARD	695 EARNING WITHHOLDING	490.00	525222	151231		P N W 690.233
27784	12/31/15	FRANCHISE TAX BOARD	695 EARNINGS WITHHOLDING	637.72	525223	151231		P N W 690.233
				1,127.72	*CHECK TOTAL			
27785	12/31/15	GELBER/CRAIG	.09536 REFUND/OVERPAYMENT	45.00	525210	151229		P N W 100.1020.3203.000
27786	12/31/15	GLOBALSTAR USA LLC	.09535 3 YEARS AIRTIME SAT	2,487.42	525208	1.50463091		P N W 651.6510.2199.000
27787	12/31/15	GOLDEN GATE K9 LLC	5008 K9 PROFICIENCY TRAINI	300.00	525206	WPD11302015		P N W 661.6610.2199.000
27787	12/31/15	GOLDEN GATE K9 LLC	5008 K9 PROFICIENCY TRAINI	300.00	525207	WPD12312015		P N W 661.6610.2199.000
				600.00	*CHECK TOTAL			
27788	12/31/15	GOLDEN STATE OVERNIG	4728 EVIDENCE SHIPPING	13.10	525209	2963092		P N W 100.1022.2101.031
27789	12/31/15	HART/JOSHUA	.09537 LIVESCAN REIMBURSEMENT	12.00	525211	346301		P N W 100.1005.2061.013
27790	12/31/15	HEIKEN/ERIK	4342 PER DIEM 1/14-15/2016	40.00	525213	151128		P N W 651.6510.2199.000
27791	12/31/15	HOWARD HOSPITAL	78 SART EXAM	1,500.00	525212	72421885		P M W 100.1020.6001.000
27792	12/31/15	I B E W	255 EMPLOYEE CONTRIBUTION	371.89	525173	151218		P N W 690.235
27793	12/31/15	KILLION/FRED	4607 CITY HALL JANITORIAL	800.00	525174	151228		P M W 100.1016.2061.020
27793	12/31/15	KILLION/FRED	4607 PW JANITORIAL	130.00	525175	151201		P M W 100.1040.2081.030
27793	12/31/15	KILLION/FRED	4607 ENG JANITORIAL	130.00	525175	151201		P M W 100.1042.2081.030
				1,060.00	*CHECK TOTAL			
27794	12/31/15	LEAGUE OF CALIFORNIA	374 STS. & RDS NEEDS ASSE	150.00	525178	102897		P N W 100.1040.2055.000
27795	12/31/15	LEXIPOL LLC	4995 LE IMPLEMENTATION S	1,800.00	525214	15285		P N W 651.6510.2199.000

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
27796	12/31/15	LSQ FUNDING GROUP LC	4991 MAINT WORKER	1,023.60	525176	199		P N W 100.1050.2081.030
27796	12/31/15	LSQ FUNDING GROUP LC	4991 MAINT WORKER	972.42	525177	183		P N W 100.1050.2081.030
				1,996.02	*CHECK TOTAL			
27797	12/31/15	MASSMUTUAL RETIREMEN	4870 DEFERRED COMPENSATI	2,348.00	525216	151231		P N W 690.236
27798	12/31/15	MENDO-LAKE CREDIT UN	104 DIRECT DEPOSIT	350.00	525217	151231		P N W 690.237
27799	12/31/15	MENDOCINO JANITORIAL	4255 PD JANITORIAL	1,100.00	525181	706170		P M W 100.1016.2061.020
27799	12/31/15	MENDOCINO JANITORIAL	4255 STRIP & WAX	250.00	525181	706170		P M W 100.1016.2061.020
				1,350.00	*CHECK TOTAL			
27800	12/31/15	MOTION INDUSTRIES IN	705 ELEC MOTORS	375.35	525179	CA23-495615		P N W 501.5013.2041.000
27800	12/31/15	MOTION INDUSTRIES IN	705 BRG INSERT	71.26	525180	CA23-495655		P N W 501.5013.2041.000
				446.61	*CHECK TOTAL			
27801	12/31/15	MR. ROOTER PLUMBING	4753 WCAC PLUMBING SERVICE	183.53	525182	7492		P N W 600.601
27802	12/31/15	MUNICIPAL MAINTENANC	4305 JET TRUCK PUMP	14,434.80	525184	0106668-IN	003753	P N W 501.5011.2041.000
27803	12/31/15	NATIONAL EMERGENCY N	4538 MEMBERSHIP/GONZALEZ	137.00	525218	151229		P N W 100.1020.2050.000
27803	12/31/15	NATIONAL EMERGENCY N	4538 MEMBERSHIP/DALE	137.00	525218	151229		P N W 100.1020.2050.000
				274.00	*CHECK TOTAL			
27804	12/31/15	NATIONAL METER & AUT	4196 BRZ METER BODY	798.95	525183	S1067162.001		P N W 503.5031.2041.000
27805	12/31/15	P G & E COMPANY	114 ENGINEERING	51.78	525187	151216		P N W 100.1042.2110.000
27805	12/31/15	P G & E COMPANY	114 PARKS	200.39	525187	151216		P N W 100.1050.2110.000
27805	12/31/15	P G & E COMPANY	114 SEWER	7.85	525187	151216		P N W 501.5013.2110.000
27805	12/31/15	P G & E COMPANY	114 WATER	20.21	525187	151216		P N W 503.5033.2110.000
27805	12/31/15	P G & E COMPANY	114 PUBLIC WORKS	51.78	525187	151216		P N W 100.1040.2110.000
				332.01	*CHECK TOTAL			
27806	12/31/15	PACE SUPPLY CORP	12 C PLG	1,031.47	525188	23072603		P N W 503.5031.2041.000
27806	12/31/15	PACE SUPPLY CORP	12 ULTRA-FLEX CPLG	345.33	525189	23074009		P N W 503.5031.2041.000
27806	12/31/15	PACE SUPPLY CORP	12 ULTRA-FLEX CPLG	336.68	525190	23074009-1		P N W 503.5031.2041.000
27806	12/31/15	PACE SUPPLY CORP	12 WELD SOLVENT/ADPT DWV	251.58	525191	23089352		P N W 501.5011.2041.000
				1,965.06	*CHECK TOTAL			
27807	12/31/15	PACIFIC INTERNET INC	1442 EMAIL SERVICE	97.50	525186	151209		P N W 100.1003.2041.000
27808	12/31/15	PITNEY BOWES	125 POSTAGE METER LEASE	474.53	525185	7227994-DC15		P N W 100.1002.2095.000
27809	12/31/15	R E M I F	135 MED INS PREMIUM	64,992.00	525192	151228		P N W 690.231
27809	12/31/15	R E M I F	135 DENTAL INS PREMIUM	4,593.00	525192	151228		P N W 690.231
27809	12/31/15	R E M I F	135 VISION INS PREMIUM	792.00	525192	151228		P N W 690.231
				70,377.00	*CHECK TOTAL			

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
27810	12/31/15	REDWOOD TOXICOLOGY I	291 LAB SCREENING NOV 2015	88.50	525219	1930201511		P N W 100.1020.2061.014
27811	12/31/15	ROCKWELL SOLUTIONS	5006 CHOPPER PUMP	20,418.15	525193	1276	003714	P M W 501.5013.2041.000
27812	12/31/15	SHERWOOD VALLEY RANC	4326 REFUND CLEANING DEPOS	300.00	525194	151223		P N W 600.602
27813	12/31/15	SIERRA ELECTRONICS	5009 SAT PHONE CHARGER	39.95	525221	213234	003751	P N W 651.6510.2199.000
27814	12/31/15	STATE OF CALIFORNIA	534 WORK CREW	1,690.35	525224	131466		P N W 100.1050.2101.045
27814	12/31/15	STATE OF CALIFORNIA	534 WORK CREW	1,142.40	525225	131459		P N W 503.5031.4003.038
				2,832.75	*CHECK TOTAL			
27815	12/31/15	STATE OF CALIFORNIA	843 DUI ANALYSIS NOV 2015	35.00	525220	139653		P N W 100.1020.2061.014
27816	12/31/15	STATE WATER RES CONT	468 GRADE II CERT N.CALDW	230.00	525195	151228		P N W 501.5013.2001.002
27816	12/31/15	STATE WATER RES CONT	468 WTR OPER CERT S MELLU	110.00	525196	151228		P N W 503.5030.2001.002
				340.00	*CHECK TOTAL			
27817	12/31/15	TOSHIBA	4263 CITY HALL COPIER USAG	775.23	525226	29388427		P N W 100.1002.2095.000
27817	12/31/15	TOSHIBA	4263 PLANNING COPIER USAGE	54.66	525226	29388427		P N W 100.1010.2055.000
27817	12/31/15	TOSHIBA	4263 CODE ENF COPIER USAGE	54.66	525226	29388427		P N W 100.1011.2055.000
27817	12/31/15	TOSHIBA	4263 BUILDING COPIER USAGE	54.66	525226	29388427		P N W 100.1015.2055.000
27817	12/31/15	TOSHIBA	4263 SA COPER USAGE	54.66	525226	29388427		P N W 265.2650.2055.000
				993.87	*CHECK TOTAL			
27818	12/31/15	UKIAH PAPER SUPPLY I	164 JANITORIAL SUPPLIES	156.20	525230	450751		P N W 600.601
27818	12/31/15	UKIAH PAPER SUPPLY I	164 BATH TISSUE	53.87	525231	451405		P N W 600.601
				210.07	*CHECK TOTAL			
27819	12/31/15	UNITED PARCEL SERVIC	165 SHIPPING CHARGES	69.81	525227	958793525		P M W 100.1002.2055.000
27819	12/31/15	UNITED PARCEL SERVIC	165 SHIPPING CHARGES	11.64	525227	958793525		P M W 501.5010.2091.000
27819	12/31/15	UNITED PARCEL SERVIC	165 SHIPPING CHARGES	4.89	525227	958793525		P M W 100.1040.2041.000
27819	12/31/15	UNITED PARCEL SERVIC	165 SHIPPING	19.62	525242	5382F9505		P M W 501.5013.4003.001
				105.96	*CHECK TOTAL			
27820	12/31/15	UNIVAR USA INC	655 LIQUICHLOR	612.04	525228	SJ721264		P N W 503.5033.2101.034
27820	12/31/15	UNIVAR USA INC	655 FERRIC CHLORIDE	1,814.70	525229	SJ22028		P N W 503.5033.2101.034
				2,426.74	*CHECK TOTAL			
27821	12/31/15	UTILITY SUPPLY OF AM	3997 SLUDGE JUDGE	101.86	525243	826938		P N W 503.5033.2041.000
27821	12/31/15	UTILITY SUPPLY OF AM	3997 WATER PLANT SUPPLIES	503.80	525244	828950		P N W 503.5033.2041.000
27821	12/31/15	UTILITY SUPPLY OF AM	3997 WATER PLANT SUPPLIES	242.07	525245	826640		P N W 503.5033.2041.000
				847.73	*CHECK TOTAL			
27822	12/31/15	VALERIUS/JANE	4010 WETLAND MITIGATION	1,250.00	525246	2015-124		P M W 501.5013.2081.030
27823	12/31/15	VERIZON WIRELESS	4828 PUBLIC WORKS	0.76	525232	151215		P N W 100.1040.2015.000
27823	12/31/15	VERIZON WIRELESS	4828 CODE ENFORCEMENT	8.04	525232	151215		P N W 100.1011.2015.000
27823	12/31/15	VERIZON WIRELESS	4828 SEWER	34.23	525232	151215		P N W 501.5013.2015.000
27823	12/31/15	VERIZON WIRELESS	4828 EMERG WTR LINE MODEM	86.48	525232	151215		P N W 503.5031.4003.038

Disbursements Journal

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
27823	12/31/15	VERIZON WIRELESS	4828 POLICE	51.47	525232	151215		P N W 100.1020.2015.000
				180.98	*CHECK TOTAL			
27824	12/31/15	W P O A	262 EMPLOYEE CONTRIBUTION	768.90	525238	151218		P N W 690.234
27825	12/31/15	WECO INDUSTRIES LLC	4044 CAMERA REPAIR	867.11	525235	35507-IN		P N W 501.5011.2041.000
27826	12/31/15	WELLS FARGO EQUIPMEN	4677 INTEREST	142.49	525234	10829882		P N W 501.5011.3002.000
27826	12/31/15	WELLS FARGO EQUIPMEN	4677 PRINCIPAL	4,421.99	525234	10829882		P N W 501.5011.3001.000
				4,564.48	*CHECK TOTAL			
27827	12/31/15	WILLITS KIDS CLUB	3981 PAYROLL DEDUCTION	20.00	525233	151231		P N W 690.248
27827	12/31/15	WILLITS KIDS CLUB	3981 PAYROLL DEDUCTION	20.00	525239	151218		P N W 690.248
				40.00	*CHECK TOTAL			
27828	12/31/15	WILLITS RENTAL CENTE	4100 CONCRETE VIBRATOR	47.00	525236	1500361		P N W 503.5031.4003.001
27828	12/31/15	WILLITS RENTAL CENTE	4100 VEHICLE MAINT UNIT 25	129.19	525237	447		P N W 100.1022.2044.000
				176.19	*CHECK TOTAL			
GENERAL CHECK FORM			TOTAL	234,174.27				

CITY OF WILLITS
BUILDING AND SAFETY
111 E. Commercial St. Willits, Ca. 95490
(707) 459-7122

DATE: January 4, 2016

TO:

Mendocino County Assessor
Att: Joe
501 Low Gap Rd., 1020
Ukiah, CA. 95482

FROM: Building Department, City of Willits

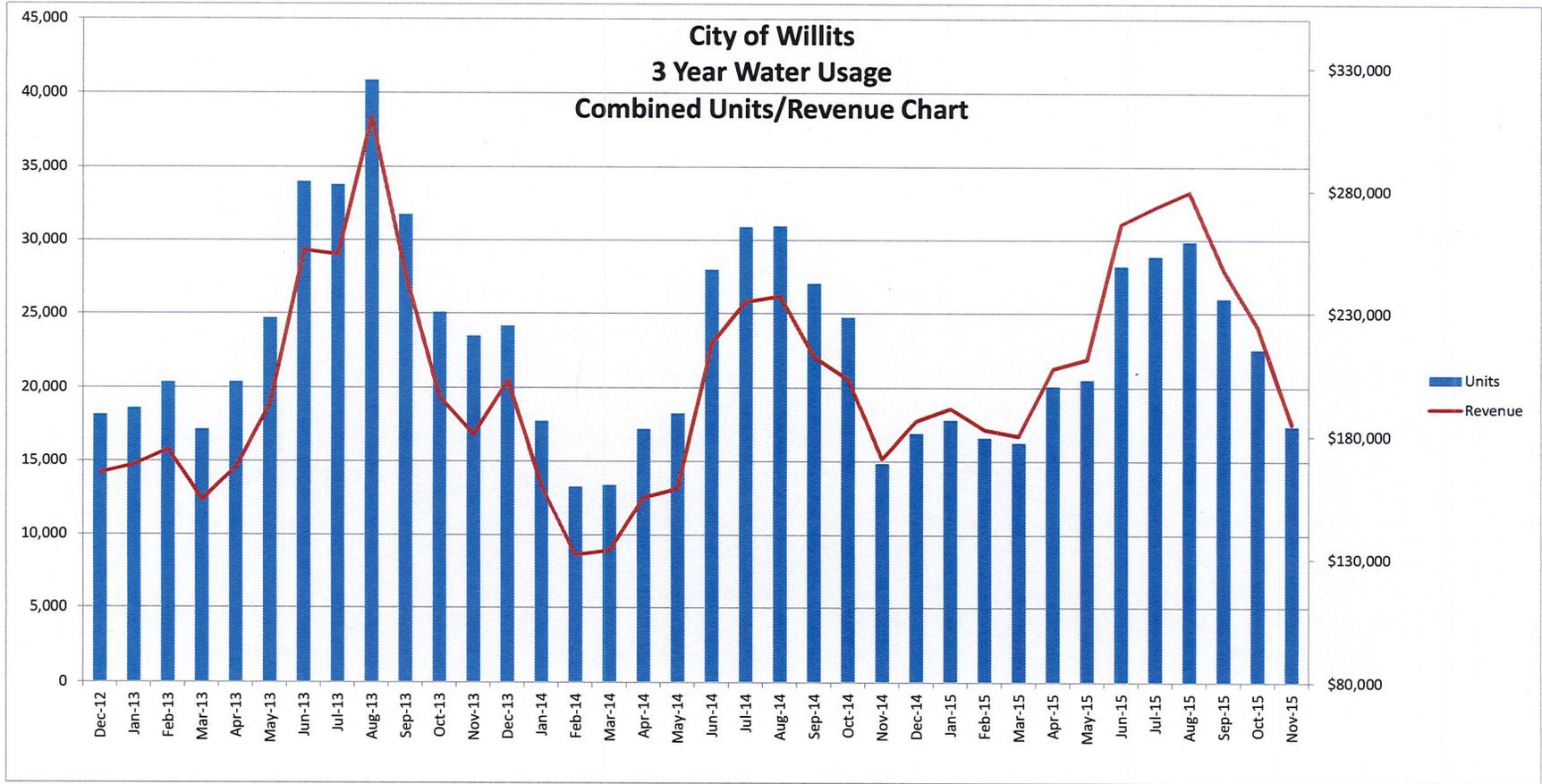
RE: Permit Completion for Month of December 2015

PARCEL#	WORK DONE	ADDRESS	VALUE	DATE	PERMIT #
The following permits were issued.					
007-200-26	30 KW rooftop solar array	1790 S. Main St.	40,000	12/3/15	8460
007-232-30	In ground swimming pool	433 Grove St.	20,000	12/4/15	8461
005-226-37	Replace HVAC system	20 Pine St.#22	3,000	12/7/15	8462
005-174-03	Replace HVAC system	501 Camp Lane	3,000	12/7/15	8463
005-216-37	2.2 KW rooftop solar array	125 Pearl St.	10,000	12/8/15	8464
006-160-32	Install electric sign	865 S. Main St.	1500	12/8/15	8465
006-100-10	7.8 KW rooftop solar array	860 Coast St.	18,000	12/18/15	8466
007-232-54	Const 2046 sq. ft. single family dwelling	418 Grove St.	288,750	12/23/15	8467
005-211-12	Replace under floor plumbing	77 S. Main St.	4500	12/30/15	8468
COMPLETED PROJECTS					
007-200-26	30 KW rooftop solar array	1790 S. Main St.	40,000	12/3/15	8460
006-046-42	Interior tenant improvements	397 B S. Main St.	12,000	9/16/15	8425

John Sherman
City of Willits Building Inspector

New Business License - December 2015

<i>BL#</i>	<i>Name</i>	<i>Owner</i>	<i>Address</i>	<i>Date Issued</i>	<i>Type of Bussiness</i>
6507	Strickland Fleet, LLC	Peter Strickland	390 Main St., Ste 6, Willits 1400 N Sam Houston	12/22/2015	Wholesale Auto Dealer Specialized Technical
6508	PureHM US. Inc	Mike Higgins	Pkwy E, Houston TX	12/31/2015	Services
6509	Aaron Luedemann Construction	Aaron Luedemann	1940 Lupine Dr	12/31/2015	Construction



November 2015

CITY OF WILLITS
WATER USAGE COMPARISONS

WATER BILLING												
UNITS	Nov-15	Oct-15	Sep-15	Aug-15	Jul-15	Jun-15	May-15	Apr-15	Mar-15	Feb-15	Jan-15	Dec-14
Apartment MF	1940	2383	2723	2976	2829	2724	2201	2112	1716	1943	1867	1802
Large Business	246	491	585	825	854	759	568	452	173	236	342	212
Churches	97	263	264	248	291	242	163	161	155	82	54	60
Restaurants & Bar	718	825	882	1022	888	788	644	645	525	567	609	572
Grocery	176	286	323	316	306	289	253	288	243	273	234	248
Hospital	730	1362	1721	2212	2215	1719	1226	1238	855	691	712	636
Industrial	419	749	665	976	1099	966	574	618	522	499	539	709
Laundry	446	394	365	407	337	375	312	351	335	387	393	357
Motels	533	644	706	899	812	678	601	594	418	534	536	482
Public Facility	767	1871	2069	2508	2317	3345	1599	1348	1019	619	528	608
Residential SF	8155	9981	11705	12987	12879	12259	9413	9301	7782	8058	9101	8516
Small Business	1149	1314	1521	1779	1729	1590	1352	1400	1109	1116	1171	1077
Mble Hm/Trailers	1017	1265	1421	1900	1559	1626	1169	1194	1062	1281	1353	1345
City Accounts	951	746	1041	806	728	807	459	401	326	280	327	236
TOTAL UNITS	17,344	22,574	25,991	29,861	28,843	28,167	20,534	20,103	16,240	16,566	17,766	16,860
% of prev year	117%	91%	96%	97%	93%	101%	113%	117%	121%	125%	100%	70%
% of two year prior	74%	90%	82%	73%	85%	83%	83%	99%	95%	81%	96%	93%
WATER BILLING MONTHLY												
USAGE REVENUE	Nov-15	Oct-15	Sep-15	Aug-15	Jul-15	Jun-15	May-15	Apr-15	Mar-15	Feb-15	Jan-15	Dec-14
Apartment MF	13,903.68	17,051.52	19,523.94	21,441.12	20,406.24	19,679	15,811	15,315	12,253	13,922	13,422	13,029
Large Business	1,767.78	3,528.36	4,208.58	5,933.16	6,145.38	5,455	4,090	3,251	1,242	1,689	2,456	1,523
Churches	698.40	1,893.60	1,900.80	1,785.60	2,095.20	1,742	1,174	1,159	1,116	590	389	432
Restaurants & Bar	5,166.30	5,947.50	6,344.94	7,357.26	6,390.30	5,672	4,634	4,641	3,768	4,071	4,373	4,107
Grocery	1,267.20	2,059.20	2,325.60	2,275.20	2,203.20	2,081	1,822	2,074	1,750	1,966	1,685	1,786
Hospital	5,350.14	9,937.02	12,786.30	16,307.82	16,297.50	12,658	9,081	9,044	6,168	4,965	5,051	4,572
Industrial	3,016.80	5,392.80	4,788.00	7,027.20	7,912.80	6,955	4,133	4,450	3,758	3,593	3,881	5,105
Laundry	3,211.20	2,836.80	2,628.00	2,930.40	2,426.40	2,700	2,246	2,527	2,412	2,786	2,830	2,570
Motels	3,837.60	4,636.80	5,083.20	6,472.80	5,846.40	4,882	4,327	4,277	3,010	3,845	3,859	3,470
Public Facility	5,479.20	13,442.40	14,810.40	18,021.60	16,646.40	24,034	11,491	9,590	7,301	4,421	3,758	4,320
Residential SF	44,145.90	57,882.36	70,824.66	82,083.78	81,802.44	76,067	53,366	51,691	40,829	42,628	50,835	46,673
Small Business	8,309.94	9,439.14	10,938.54	12,790.50	12,451.20	11,458	9,768	10,072	7,963	8,027	8,429	7,770
Mble Hm/Trailers	7,322.40	9,108.00	10,231.20	13,680.00	11,224.80	11,704	8,417	8,597	7,646	9,223	9,742	9,684
City Accounts												
TOTAL USAGE REVENUE	103,476.54	143,155.50	166,394.16	198,106.44	191,848.26	185,087.00	130,359.48	126,686.76	99,215.64	101,725.02	110,708.10	105,041.76
METER REVENUE	Nov-15	Oct-15	Sep-15	Aug-15	Jul-15	Jun-15	May-15	Apr-15	Mar-15	Feb-15	Jan-15	Dec-14
Apartment MF	5,015.86	5,038.06	5,038.06	5,072.46	5,064.52	5,064.52	5,064.52	5,064.52	5,064.52	5,073.83	5,064.52	5,064.52
Large Business	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34
Churches	779.16	779.16	779.16	779.16	779.16	779.16	779.16	779.16	779.16	779.16	779.16	779.16
Restaurants & Bar	1,358.68	1,358.68	1,358.68	1,358.68	1,358.68	1,358.68	1,356.03	1,332.22	1,332.22	1,333.98	1,332.22	1,332.22
Grocery	429.36	429.36	429.36	429.36	429.36	429.36	429.36	429.36	429.36	429.36	429.26	442.62
Hospital	1,699.32	1,374.80	1,474.58	1,474.58	1,645.78	1,645.78	1,645.78	1,645.78	1,645.78	1,645.78	1,645.78	2,059.38
Industrial	3,159.00	3,159.00	3,159.00	3,159.00	3,180.12	3,159.00	3,159.00	3,159.00	3,159.00	3,159.00	3,159.00	3,159.00
Laundry	409.80	409.80	409.38	409.80	409.80	409.80	409.80	409.80	409.80	409.80	409.80	409.80
Motels	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98
Public Facility	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70
Residential SF	50,555.15	50,580.77	50,521.48	50,566.43	50,504.54	50,293.81	50,145.94	50,164.26	49,959.65	49,937.46	49,942.61	50,044.20
Small Business	6,360.00	6,355.14	6,372.35	6,382.00	6,388.23	6,387.34	6,381.17	6,365.29	6,364.41	6,360.87	6,150.75	6,150.75
Mble Hm/Trailers	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72
City Accounts												
TOTAL METER REVENUE	81,448.07	81,166.51	81,223.79	81,313.21	81,441.93	81,209.19	81,052.50	81,031.13	80,825.64	80,810.98	80,594.84	81,123.39
TOTAL BILLED	184,924.61	224,322.01	247,617.95	279,419.65	273,290.19	266,296.19	211,411.98	207,717.89	180,041.28	182,536.00	191,302.94	186,165.15
% of prev yr usage rev	115%	106%	115%	117%	115%	123%	142%	144%	149%	158%	119%	76%
% of prev yr ttl rev	102%	114%	101%	90%	108%	104%	110%	124%	117%	105%	114%	113%

CITY OF WILLITS
WATER USAGE COMPARISONS

WATER BILLING UNITS	Nov-14	Oct-14	Sep-14	Aug-14	Jul-14	Jun-14	May-14	Apr-14	Mar-14	Feb-14	Jan-14	Dec-13
Apartment MF	1544	2652	2732	2835	2859	2739	1,904	1,857	1,458	1,451	1,949	2,054
Large Business	280	453	699	573	499	550	298	204	156	189	306	399
Churches	78	198	251	294	338	339	132	82	61	57	76	116
Restaurants & Bar	527	877	790	953	1032	857	655	665	522	536	684	879
Grocery	187	259	201	219	232	195	177	195	190	205	258	370
Hospital	659	1517	1551	1916	1631	1481	723	618	478	612	490	555
Industrial	524	1028	909	890	1309	810	598	372	194	188	424	605
Laundry	387	444	317	305	328	310	281	390	332	333	376	396
Motels	484	757	680	806	940	771	541	549	400	394	525	630
Public Facility	604	1774	3085	4435	2917	3095	1,278	872	471	486	464	1,410
Residential SF	7227	10992	11748	13166	13637	12553	8,604	8,453	6,864	6,603	9,328	13,404
Small Business	1048	1449	1439	1603	1672	1458	1,166	1,196	996	886	1,071	1,636
Mble Hm/Trailers	1055	1510	1443	1776	2010	1623	1,174	1,357	1,035	931	1,529	1,139
City Accounts	237	812	1165	1167	1461	1161	681	332	220	375	209	562
TOTAL UNITS	14,841	24,722	27,010	30,938	30,865	27,942	18,212	17,142	13,377	13,246	17,689	24,155
% of prev year	63%	99%	85%	76%	91%	82%	74%	84%	78%	65%	95%	133%
% of two year prior	68%	76%	79%	79%	86%	81%	76%	90%	70%	71%	84%	117%
WATER BILLING MONTHLY USAGE REVENUE												
Apartment MF	10,844	16,008	16,465.65	17,041.65	17,369.60	16,416.00	11,318.10	11,409.25	8,737.55	8,589.80	11,686.55	13,010.60
Large Business	2,013	2,715	4,194.00	3,435.15	2,991.15	3,297.15	1,788.00	1,221.15	933.15	1,128.30	1,833.15	2,391.15
Churches	562	1,188	1,506.00	1,764.00	2,028.00	2,034.00	792.00	492.00	366.00	342.00	456.00	696.00
Restaurants & Bar	3,783	5,252	4,735.45	5,715.25	6,185.65	5,132.05	3,920.25	3,980.25	3,138.25	3,206.25	4,094.05	5,276.65
Grocery	1,346	1,554	1,206.00	1,314.00	1,392.00	1,170.00	1,062.00	1,170.00	1,140.00	1,230.00	1,548.00	2,220.00
Hospital	4,662	9,279	9,551.65	11,726.45	10,047.65	8,756.45	4,568.45	3,712.45	2,859.25	3,159.15	2,931.45	3,321.05
Industrial	3,773	6,168	5,454.00	5,340.00	7,854.00	4,860.00	2,232.00	2,232.00	1,164.00	1,128.00	2,544.00	3,630.00
Laundry	2,786	2,664	1,902.00	1,830.00	1,968.00	1,860.00	1,686.00	2,340.00	1,992.00	1,998.00	2,256.00	2,376.00
Motels	3,485	4,542	4,080.00	4,836.00	5,640.00	4,626.00	3,246.00	3,294.00	2,400.00	2,364.00	3,150.00	3,780.00
Public Facility	4,298	10,608	17,802.00	25,836.00	16,392.00	17,838.00	6,642.00	4,872.00	2,622.00	2,736.00	2,784.00	8,364.00
Residential SF	37,548	57,708	60,640.15	70,017.20	73,490.30	66,193.45	39,064.95	37,954.80	29,271.75	27,810.20	44,524.15	75,619.90
Small Business	7,550	8,680	8,615.90	9,603.10	10,006.75	8,741.35	6,981.10	7,169.35	5,957.90	5,300.35	6,438.90	9,839.35
Mble Hm/Trailers	7,596	9,060	8,658.00	10,656.00	12,060.00	9,738.00	7,044.00	8,142.00	6,210.00	5,586.00	9,174.00	6,834.00
City Accounts	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL USAGE REVENUE	90,245.92	135,426.50	144,810.80	169,114.80	167,425.10	150,662.45	91,700.85	87,989.25	66,791.85	64,578.05	93,420.25	137,358.70
METER REVENUE												
Apartment MF	5,057.86	4,254.10	4,254.10	4,260.72	4,254.10	4,228.20	4,254.10	4,254.10	4,255.57	4,231.57	4,230.10	3,734.10
Large Business	1,358.34	1,135.95	1,135.95	1,135.95	1,135.95	1,135.95	1,135.21	1,135.95	1,135.95	1,124.21	1,135.95	1,143.30
Churches	779.16	665.97	662.30	662.30	662.30	662.30	684.35	684.35	684.35	684.35	684.35	684.35
Restaurants & Bar	1,389.94	1,190.19	1,192.34	1,189.40	1,189.40	1,189.40	1,189.40	1,198.65	1,143.83	1,145.30	1,145.30	1,150.44
Grocery	442.62	380.85	380.85	380.85	380.85	380.85	380.85	380.85	371.85	380.85	380.85	380.85
Hospital	1,645.78	1,399.15	1,399.15	1,399.15	1,233.15	1,233.15	1,233.15	1,233.15	1,233.15	1,209.15	1,199.15	1,139.15
Industrial	3,159.00	2,698.50	2,698.50	2,698.50	2,698.50	2,604.63	2,522.50	2,522.50	2,522.50	2,522.50	2,522.50	2,522.50
Laundry	409.80	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50
Motels	1,900.98	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,235.15
Public Facility	5,791.94	4,890.30	4,890.30	4,890.30	4,516.34	4,866.03	4,890.30	4,890.30	4,537.30	4,890.30	4,394.30	4,890.30
Residential SF	49,976.08	41,912.43	41,664.79	41,855.48	41,765.93	41,683.16	41,448.09	41,603.58	41,525.72	41,586.64	41,531.49	41,920.28
Small Business	6,119.88	5,168.77	5,159.95	5,159.95	5,159.95	5,145.62	5,182.00	5,190.82	5,158.47	5,159.95	5,121.35	5,211.40
Mble Hm/Trailers	2,643.72	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	1,100.10
City Accounts	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL METER REVENUE	80,675.10	67,828.96	67,570.98	67,765.35	67,129.22	67,262.04	67,052.70	67,227.00	66,701.44	67,067.57	66,478.09	65,453.42
TOTAL BILLED	170,921.02	203,255.46	212,381.78	236,880.15	234,554.32	217,924.49	158,753.55	155,216.25	133,493.29	131,645.62	159,898.34	202,812.12
% of prev yr usage rev	80%	105%	81%	70%	89%	80%	72%	87%	76%	60%	93%	142%
% of prev yr ttl rev	91%	79%	78%	78%	83%	80%	79%	92%	78%	78%	87%	112%

CITY OF WILLITS
WATER USAGE COMPARISONS

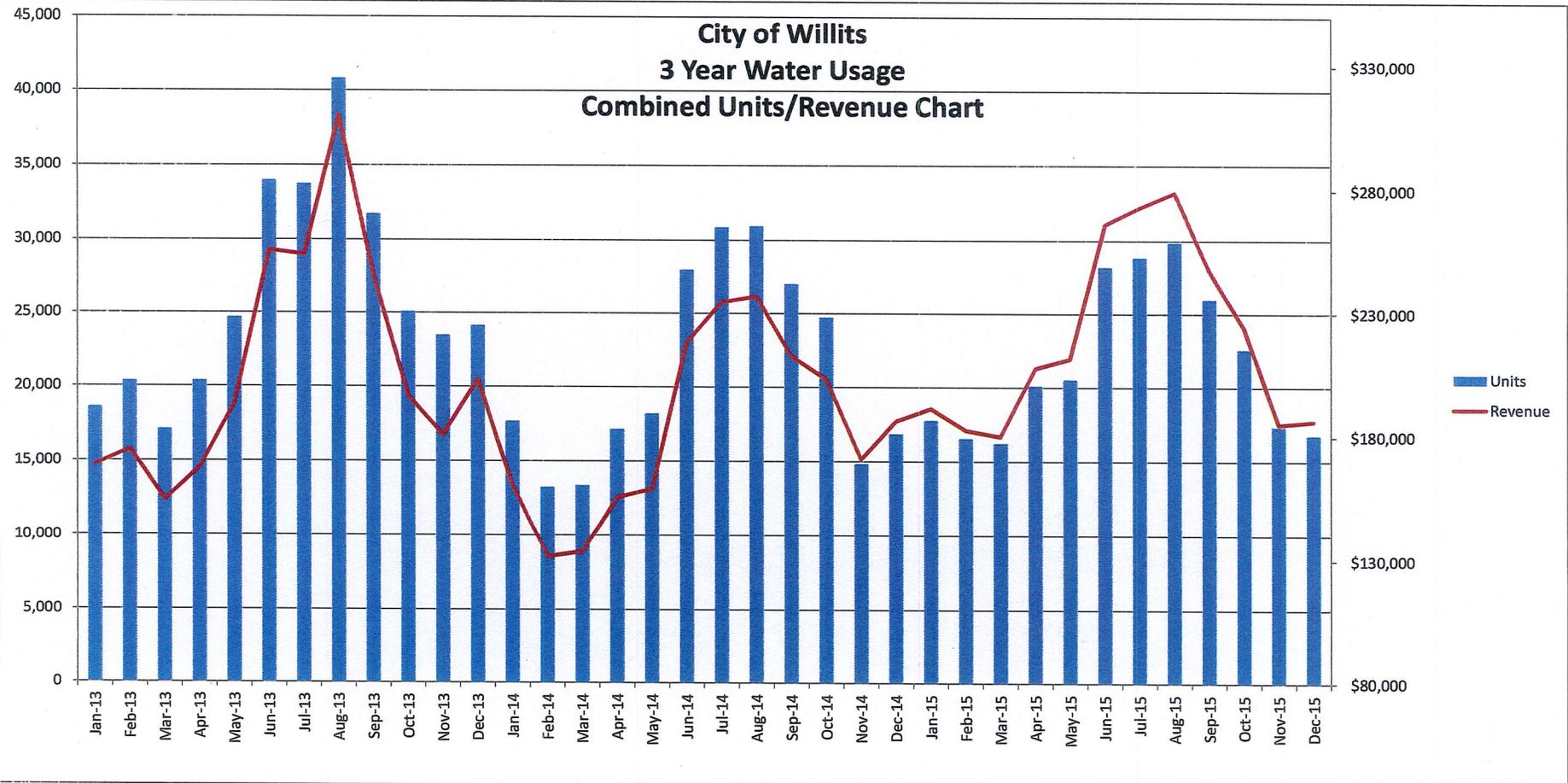
WATER BILLING

UNITS	Nov-13	Oct-13	Sep-13	Aug-13	Jul-13	Jun-13	May-13	Apr-13	Mar-13	Feb-13	Jan-13	Dec-12
Apartment MF	2,042	2,526	3,303	4,131	3,527	3,587	3,392	1,987	1,785	1,918	1,809	1,712
Large Business	345	339	428	706	468	414	506	496	287	270	194	486
Churches	160	220	309	573	433	381	254	163	80	79	74	85
Restaurants & Bar	770	852	945	1,286	1,052	1,067	932	738	635	992	762	661
Grocery	294	387	277	425	327	333	303	261	272	333	305	375
Hospital	535	953	1,336	1,720	1,387	1,155	923	439	350	437	384	371
Industrial	671	705	1,062	943	1,006	1,135	747	562	473	567	299	470
Laundry	381	349	326	351	306	339	356	350	313	387	392	313
Motels	678	821	851	1,125	891	860	722	615	530	569	651	546
Public Facility	3,634	1,719	2,992	3,272	2,914	3,246	2,391	924	678	780	644	945
Residential SF	10,320	11,626	14,978	20,595	16,297	16,621	9,557	9,765	8,752	10,614	9,950	9,308
Small Business	1,466	1,458	1,929	2,087	1,788	1,873	1,745	1,215	1,174	1,278	1,143	1,110
Mble Hm/Trailers	1,639	1,724	2,185	2,782	2,315	2,143	2,071	1,532	1,430	1,788	1,665	1,280
City Accounts	556	1,388	794	825	1,029	815	785	1,337	347	356	310	468
TOTAL UNITS	23,491	25,067	31,715	40,821	33,740	33,969	24,684	20,384	17,106	20,368	18,582	18,130
% of prev year	108%	77%	93%	105%	94%	99%	103%	107%	90%	109%	88%	87%
% of two year prior	112%	114%	80%	113%	109%	121%	108%	94%	91%	115%	90%	95%

WATER BILLING MONTHLY

USAGE REVENUE	Nov-13	Oct-13	Sep-13	Aug-13	Jul-13	Jun-13	May-13	Apr-13	Mar-13	Feb-13	Jan-13	Dec-12
Apartment MF	12,179.35	15,168.30	19,957.60	25,324.80	21,508.40	21,793.60	20,579.80	11,805.40	10,582.70	11,604.15	10,909.55	10,211.25
Large Business	2,070.00	2,031.15	2,568.00	4,233.15	2,808.00	2,481.15	3,027.45	2,967.25	1,713.45	1,610.25	1,154.85	2,907.45
Churches	960.00	1,320.00	1,854.00	3,438.00	2,598.00	2,286.00	1,524.00	978.00	480.00	474.00	444.00	510.00
Restaurants & Bar	4,615.45	5,114.65	5,670.85	7,832.45	6,325.85	6,396.30	5,586.30	4,419.25	3,804.30	5,946.30	4,563.05	3,960.30
Grocery	1,764.00	2,322.00	1,662.00	2,550.00	1,962.00	1,998.00	1,818.00	1,566.00	1,632.00	1,998.00	1,830.00	2,250.00
Hospital	3,162.65	5,574.25	8,318.65	10,320.00	8,322.00	6,930.00	5,538.00	2,634.00	2,100.00	2,622.00	2,304.00	2,226.00
Industrial	4,026.00	4,230.00	6,372.00	5,658.00	6,036.00	6,810.00	4,482.00	3,372.00	2,838.00	3,402.00	1,794.00	2,820.00
Laundry	2,286.00	2,094.00	1,956.00	2,106.00	1,836.00	2,034.00	2,136.00	2,100.00	1,878.00	2,322.00	2,352.00	1,878.00
Motels	4,068.00	4,926.00	5,106.00	6,750.00	5,346.00	5,160.00	4,332.00	3,690.00	3,180.00	3,414.00	3,906.00	3,276.00
Public Facility	8,640.00	8,304.00	16,530.00	19,632.00	13,728.00	14,538.00	10,908.00	4,818.00	3,744.00	4,614.00	3,864.00	5,670.00
Residential SF	50,734.95	58,587.10	83,000.85	125,892.35	92,037.45	94,401.70	43,905.05	46,405.75	40,054.95	51,957.30	48,443.45	43,828.55
Small Business	8,786.85	8,734.90	11,580.25	12,520.65	10,714.90	11,238.65	10,449.45	7,275.15	7,026.50	7,653.75	6,849.45	6,642.50
Mble Hm/Trailers	9,834.00	10,344.90	13,110.00	16,692.00	13,890.00	12,858.00	12,426.00	9,192.00	8,580.00	10,728.00	9,990.00	7,680.00
City Accounts											1,896.65	2,837.05
TOTAL USAGE REVENUE	113,127.25	128,751.25	177,686.20	242,949.40	187,112.60	188,925.40	126,712.05	101,222.80	87,613.90	108,345.75	100,301.00	96,697.10
METER REVENUE	Nov-13	Oct-13	Sep-13	Aug-13	Jul-13	Jun-13	May-13	Apr-13	Mar-13	Feb-13	Jan-13	Dec-12
Apartment MF	4,230.10	4,230.10	4,230.10	4,340.10	4,222.27	4,221.10	4,165.60	4,165.60	4,247.00	4,221.10	4,160.05	4,219.25
Large Business	1,135.95	1,135.95	1,135.95	1,135.95	1,135.95	1,135.95	1,135.95	1,223.95	1,311.95	1,311.95	1,311.95	1,311.95
Churches	684.35	684.35	684.35	688.02	684.35	684.35	684.35	684.35	684.35	684.35	683.61	684.35
Restaurants & Bar	1,167.35	1,167.35	1,167.35	1,176.60	1,179.17	1,188.40	1,188.40	1,173.70	1,188.40	1,188.40	1,155.32	1,166.35
Grocery	380.85	380.85	380.85	380.85	380.85	380.85	380.85	380.85	380.85	380.85	380.85	380.85
Hospital	1,209.15	1,199.15	1,704.91	754.10	754.10	754.10	754.10	754.10	754.10	754.10	754.10	754.10
Industrial	2,522.50	2,522.50	2,522.50	2,522.50	2,522.50	2,515.10	2,467.00	2,291.00	2,323.34	2,313.05	2,313.05	2,313.05
Laundry	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50
Motels	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15
Public Facility	4,890.30	4,890.30	4,881.48	4,868.25	4,893.97	4,890.30	4,537.30	4,618.80	4,618.80	4,794.80	5,543.05	5,543.05
Residential SF	41,789.50	41,753.45	41,460.72	41,931.67	41,653.80	41,671.37	41,635.35	41,379.86	41,684.34	41,369.15	41,549.22	41,525.46
Small Business	5,222.42	5,187.13	5,199.63	5,213.60	5,203.32	5,184.94	5,226.10	5,182.00	5,224.63	5,161.42	5,174.65	5,204.77
Mble Hm/Trailers	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10
City Accounts											959.80	959.80
TOTAL METER REVENUE	67,365.22	67,283.88	67,500.59	67,144.39	66,763.03	66,759.21	66,307.75	65,986.96	66,550.51	66,311.92	68,118.40	68,195.73
TOTAL BILLED	180,492.47	196,035.13	245,186.79	310,093.79	253,875.63	255,684.61	193,019.80	167,209.76	154,164.41	174,657.67	168,419.40	164,892.83
% of prev yr usage rev	95%	68%	87%	103%	88%	93%	96%	100%	85%	108%	86%	85%
% of prev yr ttl rev	99%	103%	80%	110%	102%	119%	111%	99%	97%	114%	98%	102%

City of Willits 3 Year Water Usage Combined Units/Revenue Chart



December 2015

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CITY OF WILLITS
WATER USAGE COMPARISONS

WATER BILLING UNITS	Dec-15	Nov-15	Oct-15	Sep-15	Aug-15	Jul-15	Jun-15	May-15	Apr-15	Mar-15	Feb-15	Jan-15
Apartment MF	1,790.00	1940	2383	2723	2976	2829	2724	2201	2112	1716	1943	1867
Large Business	223.00	246	491	585	825	854	759	568	452	173	236	342
Churches	66.00	97	263	264	248	291	242	163	161	155	82	54
Restaurants & Bar	724.00	718	825	882	1022	888	788	644	645	525	567	609
Grocery	190.00	176	286	323	316	306	289	253	288	243	273	234
Hospital	518.00	730	1362	1721	2212	2215	1719	1226	1238	855	691	712
Industrial	309.00	419	749	665	976	1099	966	574	618	522	499	539
Laundry	432.00	446	394	365	407	337	375	312	351	335	387	393
Motels	559.00	533	644	706	899	812	678	601	594	418	534	536
Public Facility	669.00	767	1871	2069	2508	2317	3345	1599	1348	1019	619	528
Residential SF	8,571.00	8155	9981	11705	12987	12879	12259	9413	9301	7782	8058	9101
Small Business	1,270.00	1149	1314	1521	1779	1729	1590	1352	1400	1109	1116	1171
Mble Hm/Trailers	1,098.00	1017	1265	1421	1900	1559	1626	1169	1194	1062	1281	1353
City Accounts	367.00	951	746	1041	806	728	807	459	401	326	280	327
TOTAL UNITS	16,786	17,344	22,574	25,991	29,861	28,843	28,167	20,534	20,103	16,240	16,566	17,766
% of prev year	100%	117%	91%	96%	97%	93%	101%	113%	117%	121%	125%	100%
% of two year prior	69%	74%	90%	82%	73%	85%	83%	83%	99%	95%	81%	96%

WATER BILLING MONTHLY USAGE REVENUE	Dec-15	Nov-15	Oct-15	Sep-15	Aug-15	Jul-15	Jun-15	May-15	Apr-15	Mar-15	Feb-15	Jan-15
Apartment MF	13,439.22	13,903.68	17,051.52	19,523.94	21,441.12	20,406.24	19,679	15,811	15,315	12,253	13,922	13,422
Large Business	1,602.18	1,767.78	3,528.36	4,208.58	5,933.16	6,145.38	5,455	4,090	3,251	1,242	1,689	2,456
Churches	475.20	698.40	1,893.60	1,900.80	1,785.60	2,095.20	1,742	1,174	1,159	1,116	590	389
Restaurants & Bar	5,209.50	5,166.30	5,947.50	6,344.94	7,357.26	6,390.30	5,672	4,634	4,641	3,768	4,071	4,373
Grocery	1,368.00	1,267.20	2,059.20	2,325.60	2,275.20	2,203.20	2,081	1,822	2,074	1,750	1,966	1,685
Hospital	3,722.76	5,350.14	9,937.02	12,786.30	16,307.82	16,297.50	12,658	9,081	9,044	6,168	4,965	5,051
Industrial	2,224.80	3,016.80	5,392.80	4,788.00	7,027.20	7,912.80	6,955	4,133	4,450	3,758	3,593	3,881
Laundry	3,110.40	3,211.20	2,836.80	2,628.00	2,930.40	2,426.40	2,700	2,246	2,527	2,412	2,786	2,830
Motels	4,024.80	3,837.60	4,636.80	5,083.20	6,472.80	5,846.40	4,882	4,327	4,277	3,010	3,845	3,859
Public Facility	4,795.20	5,479.20	13,442.40	14,810.40	18,021.60	16,646.40	24,034	11,491	9,590	7,301	4,421	3,758
Residential SF	47,705.76	44,145.90	57,882.36	70,824.66	82,083.78	81,802.44	76,067	53,366	51,691	40,829	42,628	50,835
Small Business	9,215.34	8,309.94	9,439.14	10,938.54	12,790.50	12,451.20	11,458	9,768	10,072	7,963	8,027	8,429
Mble Hm/Trailers	7,905.60	7,322.40	9,108.00	10,231.20	13,680.00	11,224.80	11,704	8,417	8,597	7,646	9,223	9,742
City Accounts												
TOTAL USAGE REVENUE	104,798.76	103,476.54	143,155.50	166,394.16	198,106.44	191,848.26	185,087.00	130,359.48	126,686.76	99,215.64	101,725.02	110,708.10

METER REVENUE	Dec-15	Nov-15	Oct-15	Sep-15	Aug-15	Jul-15	Jun-15	May-15	Apr-15	Mar-15	Feb-15	Jan-15
Apartment MF	5,046.94	5,015.86	5,038.06	5,038.06	5,072.46	5,064.52	5,064.52	5,064.52	5,064.52	5,064.52	5,073.83	5,064.52
Large Business	1,364.51	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34	1,358.34
Churches	779.16	779.16	779.16	779.16	779.16	779.16	779.16	779.16	779.16	779.16	779.16	779.16
Restaurants & Bar	1,358.68	1,358.68	1,358.68	1,358.68	1,358.68	1,358.68	1,358.68	1,356.03	1,332.22	1,332.22	1,333.98	1,332.22
Grocery	429.36	429.36	429.36	429.36	429.36	429.36	429.36	429.36	429.36	429.36	429.36	429.36
Hospital	1,672.86	1,699.32	1,374.80	1,474.58	1,474.58	1,645.78	1,645.78	1,645.78	1,645.78	1,645.78	1,645.78	1,645.78
Industrial	3,166.00	3,159.00	3,159.00	3,159.00	3,159.00	3,180.12	3,159.00	3,159.00	3,159.00	3,159.00	3,159.00	3,159.00
Laundry	409.80	409.80	409.80	409.80	409.80	409.80	409.80	409.80	409.80	409.80	409.80	409.80
Motels	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98	1,900.98
Public Facility	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70	5,778.70
Residential SF	50,449.02	50,555.15	50,580.77	50,521.48	50,566.43	50,504.54	50,293.81	50,145.94	50,164.26	49,959.65	49,937.46	49,942.61
Small Business	6,384.70	6,360.00	6,355.14	6,372.35	6,382.00	6,388.23	6,387.34	6,381.17	6,365.29	6,364.41	6,360.87	6,150.75
Mble Hm/Trailers	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72	2,643.72
City Accounts												
TOTAL METER REVENUE	81,384.43	81,448.07	81,166.51	81,223.79	81,313.21	81,441.93	81,209.19	81,052.50	81,031.13	80,825.64	80,810.98	80,594.84

TOTAL BILLED	186,183.19	184,924.61	224,322.01	247,617.95	279,419.65	273,290.19	266,296.19	211,411.98	207,717.89	180,041.28	182,536.00	191,302.94
% of prev yr usage rev	100%	115%	106%	115%	117%	115%	123%	142%	144%	149%	158%	119%
% of prev yr ttl rev	92%	102%	114%	101%	90%	108%	104%	110%	124%	117%	105%	114%

CITY OF WILLITS
WATER USAGE COMPARISONS

WATER BILLING												
UNITS	Dec-14	Nov-14	Oct-14	Sep-14	Aug-14	Jul-14	Jun-14	May-14	Apr-14	Mar-14	Feb-14	Jan-14
Apartment MF	1802	1544	2652	2732	2835	2859	2739	1,904	1,857	1,458	1,451	1,949
Large Business	212	280	453	699	573	499	550	298	204	156	189	306
Churches	60	78	198	251	294	338	339	132	82	61	57	76
Restaurants & Bar	572	527	877	790	953	1032	857	655	665	522	536	684
Grocery	248	187	259	201	219	232	195	177	195	190	205	258
Hospital	636	659	1517	1551	1916	1631	1481	723	618	478	612	490
Industrial	709	524	1028	909	890	1309	810	598	372	194	188	424
Laundry	357	387	444	317	305	328	310	281	390	332	333	376
Motels	482	484	757	680	806	940	771	541	549	400	394	525
Public Facility	608	604	1774	3085	4435	2917	3095	1,278	872	471	486	464
Residential SF	8516	7227	10992	11748	13166	13637	12553	8,604	8,453	6,864	6,603	9,328
Small Business	1077	1048	1449	1439	1603	1672	1458	1,166	1,196	996	886	1,071
Mble Hm/Trailers	1345	1055	1510	1443	1776	2010	1623	1,174	1,357	1,035	931	1,529
City Accounts	236	237	812	1165	1167	1461	1161	681	332	220	375	209
TOTAL UNITS	16,860	14,841	24,722	27,010	30,938	30,865	27,942	18,212	17,142	13,377	13,246	17,689
% of prev year	70%	63%	99%	85%	76%	91%	82%	74%	84%	78%	65%	95%
% of two year prior	93%	68%	76%	79%	79%	86%	81%	76%	90%	70%	71%	84%
WATER BILLING MONTHLY												
USAGE REVENUE	Dec-14	Nov-14	Oct-14	Sep-14	Aug-14	Jul-14	Jun-14	May-14	Apr-14	Mar-14	Feb-14	Jan-14
Apartment MF	13,029	10,844	16,008	16,465.65	17,041.65	17,369.60	16,416.00	11,318.10	11,409.25	8,737.55	8,589.80	11,686.55
Large Business	1,523	2,013	2,715	4,194.00	3,435.15	2,991.15	3,297.15	1,788.00	1,221.15	933.15	1,128.30	1,833.15
Churches	432	562	1,188	1,506.00	1,764.00	2,028.00	2,034.00	792.00	492.00	366.00	366.00	456.00
Restaurants & Bar	4,107	3,783	5,252	4,735.45	5,715.25	6,185.65	5,132.05	3,920.25	3,980.25	3,138.25	3,206.25	4,094.05
Grocery	1,786	1,346	1,554	1,206.00	1,314.00	1,392.00	1,170.00	1,062.00	1,170.00	1,140.00	1,230.00	1,548.00
Hospital	4,572	4,662	9,529	9,551.65	11,726.45	10,047.65	8,756.45	4,568.45	3,712.45	2,859.25	3,159.15	2,931.45
Industrial	5,105	3,773	6,168	5,454.00	5,340.00	7,854.00	4,860.00	3,588.00	2,232.00	1,164.00	1,128.00	2,544.00
Laundry	2,570	2,786	2,664	1,902.00	1,830.00	1,968.00	1,860.00	1,686.00	2,340.00	1,992.00	1,998.00	2,256.00
Motels	3,470	3,485	4,542	4,080.00	4,836.00	5,640.00	4,626.00	3,246.00	3,294.00	2,400.00	2,364.00	3,150.00
Public Facility	4,320	4,298	10,608	17,802.00	25,836.00	16,392.00	17,838.00	6,642.00	4,872.00	2,622.00	2,736.00	2,784.00
Residential SF	46,673	37,548	57,708	60,640.15	70,017.20	73,490.30	66,193.45	39,064.95	37,954.80	29,271.75	27,810.20	44,524.15
Small Business	7,770	7,550	8,680	8,615.90	9,603.10	10,006.75	8,741.35	6,981.10	7,169.35	5,957.90	5,300.35	6,438.90
Mble Hm/Trailers	9,684	7,596	9,060	8,658.00	10,656.00	12,060.00	9,738.00	7,044.00	8,142.00	6,210.00	5,586.00	9,174.00
City Accounts	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL USAGE REVENUE	105,041.76	90,245.92	135,426.50	144,810.80	169,114.80	167,425.10	150,662.45	91,700.85	87,989.25	66,791.85	64,578.05	93,420.25
METER REVENUE												
	Dec-14	Nov-14	Oct-14	Sep-14	Aug-14	Jul-14	Jun-14	May-14	Apr-14	Mar-14	Feb-14	Jan-14
Apartment MF	5,064.52	5,057.86	4,254.10	4,254.10	4,260.72	4,254.10	4,228.20	4,254.10	4,254.10	4,255.57	4,231.57	4,230.10
Large Business	1,358.34	1,358.34	1,135.95	1,135.95	1,135.95	1,135.95	1,135.95	1,135.21	1,135.95	1,135.95	1,124.21	1,135.95
Churches	779.16	779.16	665.97	662.30	662.30	662.30	662.30	684.35	684.35	684.35	684.35	684.35
Restaurants & Bar	1,332.22	1,389.94	1,190.19	1,192.34	1,189.40	1,189.40	1,189.40	1,189.40	1,198.65	1,143.83	1,145.30	1,145.30
Grocery	442.62	442.62	380.85	380.85	380.85	380.85	380.85	380.85	380.85	371.85	380.85	380.85
Hospital	2,059.38	1,645.78	1,399.15	1,399.15	1,399.15	1,233.15	1,233.15	1,233.15	1,233.15	1,233.15	1,209.15	1,199.15
Industrial	3,159.00	3,159.00	2,698.50	2,698.50	2,698.50	2,698.50	2,604.63	2,522.50	2,522.50	2,522.50	2,522.50	2,522.50
Laundry	409.80	409.80	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50
Motels	1,900.98	1,900.98	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15
Public Facility	5,778.70	5,791.94	4,890.30	4,890.30	4,890.30	4,516.34	4,866.03	4,890.30	4,890.30	4,537.30	4,890.30	4,394.30
Residential SF	50,044.20	49,976.08	41,912.43	41,664.79	41,855.48	41,765.93	41,683.16	41,448.09	41,603.58	41,525.72	41,586.64	41,531.49
Small Business	6,150.75	6,119.88	5,168.77	5,159.95	5,159.95	5,159.95	5,145.62	5,182.00	5,190.82	5,158.47	5,159.95	5,121.35
Mble Hm/Trailers	2,643.72	2,643.72	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10
City Accounts	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL METER REVENUE	81,123.39	80,675.10	67,828.96	67,570.98	67,765.35	67,129.22	67,262.04	67,052.70	67,227.00	66,701.44	67,067.57	66,478.09
TOTAL BILLED	186,165.15	170,921.02	203,255.46	212,381.78	236,880.15	234,554.32	217,924.49	158,753.55	155,216.25	133,493.29	131,645.62	159,898.34
% of prev yr usage rev	76%	80%	105%	81%	70%	89%	80%	72%	87%	76%	60%	93%
% of prev yr ttl rev	113%	91%	79%	78%	78%	83%	80%	79%	92%	78%	78%	87%

CITY OF WILLITS
WATER USAGE COMPARISONS

WATER BILLING												
UNITS	Dec-13	Nov-13	Oct-13	Sep-13	Aug-13	Jul-13	Jun-13	May-13	Apr-13	Mar-13	Feb-13	Jan-13
Apartment MF	2,054	2,042	2,526	3,303	4,131	3,527	3,587	3,392	1,987	1,785	1,918	1,809
Large Business	399	345	339	428	706	468	414	506	496	287	270	194
Churches	116	160	220	309	573	433	381	254	163	80	79	74
Restaurants & Bar	879	770	852	945	1,286	1,052	1,067	932	738	635	992	762
Grocery	370	294	387	277	425	327	333	303	261	272	333	305
Hospital	555	535	953	1,336	1,720	1,387	1,155	923	439	350	437	384
Industrial	605	671	705	1,062	943	1,006	1,135	747	562	473	567	299
Laundry	396	381	349	326	351	306	339	356	350	313	387	392
Motels	630	678	821	851	1,125	891	860	722	615	530	569	651
Public Facility	1,410	3,634	1,719	2,992	3,272	2,914	3,246	2,391	924	678	780	644
Residential SF	13,404	10,320	11,626	14,978	20,595	16,297	16,621	9,557	9,765	8,752	10,614	9,950
Small Business	1,636	1,466	1,458	1,929	2,087	1,788	1,873	1,745	1,215	1,174	1,278	1,143
Mble Hm/Trailers	1,139	1,639	1,724	2,185	2,782	2,315	2,143	2,071	1,532	1,430	1,788	1,665
City Accounts	562	556	1,388	794	825	1,029	815	785	1,337	347	356	310
TOTAL UNITS	24,155	23,491	25,067	31,715	40,821	33,740	33,969	24,684	20,384	17,106	20,368	18,582
% of prev year	133%	108%	77%	93%	105%	94%	99%	103%	107%	90%	109%	88%
% of two year prior	117%	112%	114%	80%	113%	109%	121%	108%	94%	91%	115%	90%
WATER BILLING MONTHLY												
USAGE REVENUE	Dec-13	Nov-13	Oct-13	Sep-13	Aug-13	Jul-13	Jun-13	May-13	Apr-13	Mar-13	Feb-13	Jan-13
Apartment MF	13,010.60	12,179.35	15,168.30	19,957.60	25,324.80	21,508.40	21,793.60	20,579.80	11,805.40	10,582.70	11,604.15	10,909.55
Large Business	2,391.15	2,070.00	2,031.15	2,568.00	4,233.15	2,808.00	2,481.15	3,027.45	2,967.25	1,713.45	1,610.25	1,154.85
Churches	696.00	960.00	1,320.00	1,854.00	3,438.00	2,598.00	2,286.00	1,524.00	978.00	480.00	474.00	444.00
Restaurants & Bar	5,276.65	4,615.45	5,114.65	5,670.85	7,832.45	6,325.85	6,396.30	5,586.30	4,419.25	3,804.30	5,946.30	4,563.05
Grocery	2,220.00	1,764.00	2,322.00	1,662.00	2,550.00	1,962.00	1,998.00	1,818.00	1,566.00	1,632.00	1,998.00	1,830.00
Hospital	3,321.05	3,162.65	5,574.25	8,318.65	10,320.00	8,322.00	6,930.00	5,538.00	2,634.00	2,100.00	2,622.00	2,304.00
Industrial	3,630.00	4,026.00	4,230.00	6,372.00	5,658.00	6,036.00	6,810.00	4,482.00	3,372.00	2,838.00	3,402.00	1,794.00
Laundry	2,376.00	2,286.00	2,094.00	1,956.00	2,106.00	1,836.00	2,034.00	2,136.00	2,100.00	1,878.00	2,322.00	2,352.00
Motels	3,780.00	4,068.00	4,926.00	5,106.00	6,750.00	5,346.00	5,160.00	4,332.00	3,690.00	3,180.00	3,414.00	3,906.00
Public Facility	8,364.00	8,640.00	8,304.00	16,530.00	19,632.00	13,728.00	14,538.00	10,908.00	4,818.00	3,744.00	4,614.00	3,864.00
Residential SF	75,619.90	50,734.95	58,587.10	83,000.85	125,892.35	92,037.45	94,401.70	43,905.05	46,405.75	40,054.95	51,957.30	48,443.45
Small Business	9,839.35	8,786.85	8,734.90	11,580.25	12,520.65	10,714.90	11,238.65	10,449.45	7,275.15	7,026.50	7,653.75	6,849.45
Mble Hm/Trailers	6,834.00	9,834.00	10,344.90	13,110.00	16,692.00	13,890.00	12,858.00	12,426.00	9,192.00	8,580.00	10,728.00	9,990.00
City Accounts												1,896.65
TOTAL USAGE REVENUE	137,358.70	113,127.25	128,751.25	177,686.20	242,949.40	187,112.60	188,925.40	126,712.05	101,222.80	87,613.90	108,345.75	100,301.00
METER REVENUE	Dec-13	Nov-13	Oct-13	Sep-13	Aug-13	Jul-13	Jun-13	May-13	Apr-13	Mar-13	Feb-13	Jan-13
Apartment MF	3,734.10	4,230.10	4,230.10	4,230.10	4,340.10	4,222.27	4,221.10	4,165.60	4,165.60	4,247.00	4,221.10	4,160.05
Large Business	1,143.30	1,135.95	1,135.95	1,135.95	1,135.95	1,135.95	1,135.95	1,135.95	1,223.95	1,311.95	1,311.95	1,311.95
Churches	684.35	684.35	684.35	684.35	688.02	684.35	684.35	684.35	684.35	684.35	684.35	683.61
Restaurants & Bar	1,150.44	1,167.35	1,167.35	1,167.35	1,176.60	1,179.17	1,188.40	1,188.40	1,173.70	1,188.40	1,188.40	1,155.32
Grocery	380.85	380.85	380.85	380.85	380.85	380.85	380.85	380.85	380.85	380.85	380.85	380.85
Hospital	1,139.15	1,209.15	1,199.15	1,704.91	754.10	754.10	754.10	754.10	754.10	754.10	754.10	754.10
Industrial	2,522.50	2,522.50	2,522.50	2,522.50	2,522.50	2,522.50	2,515.10	2,467.00	2,291.00	2,323.34	2,313.05	2,313.05
Laundry	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50	341.50
Motels	1,235.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15	1,588.15
Public Facility	4,890.30	4,890.30	4,890.30	4,881.48	4,868.25	4,893.97	4,890.30	4,537.30	4,618.80	4,618.80	4,794.80	5,543.05
Residential SF	41,920.28	41,789.50	41,753.45	41,460.72	41,931.67	41,653.80	41,671.37	41,635.35	41,379.86	41,684.34	41,369.15	41,549.22
Small Business	5,211.40	5,222.42	5,187.13	5,199.63	5,213.60	5,203.32	5,184.94	5,226.10	5,182.00	5,224.63	5,161.42	5,174.65
Mble Hm/Trailers	1,100.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10	2,203.10
City Accounts												959.80
TOTAL METER REVENUE	65,453.42	67,365.22	67,283.88	67,500.59	67,144.39	66,763.03	66,759.21	66,307.75	65,986.96	66,550.51	66,311.92	68,118.40
TOTAL BILLED	202,812.12	180,492.47	196,035.13	245,186.79	310,093.79	253,875.63	255,684.61	193,019.80	167,209.76	154,164.41	174,657.67	168,419.40
% of prev yr usage rev	142%	95%	68%	87%	103%	88%	93%	96%	100%	85%	108%	86%
% of prev yr ttl rev	112%	99%	103%	80%	110%	102%	119%	111%	99%	97%	114%	98%

**WILLITS BYPASS PROJECT
2015 CONSTRUCTION SEASON
DECEMBER 2015 UPDATE**

The following is a summary of the construction activities that have been completed up to December 17, 2015

- **Contractor has completed approximately 87% of work on the project. The contractor has suspended majority of operations until spring 2016 due to winter weather conditions.**

South Segment (Beginning of Project to Center Valley Road) – STA "A" 96+00 to 149+00 (3.3 miles):

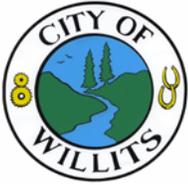
- Paving is completed to the Viaduct with the exception of the Open Grade Friction Course.
- Metal Beam Guard rail is expected to be installed this winter weather permitting.
- Majority of Asphalt Dike is completed. The remainder will be completed in 2016
- The Drainage systems are complete and functioning.
- Electrical conduit is being installed for street lighting and CCTV cameras.
- Right and left bridges for 101/20 Separation are complete, except for joint seals, deck grooving and bicycle railing. These items of work should be completed by end of January 2016.
- All Haehl Creek bridges are complete except for grinding, grooving, joint seals, and bicycle railing.
- Bridge deck grinding operations have begun on the southern interchange bridges. These items are expected to be complete by January 2016.
- East Hill Road Undercrossing Bridge is complete except for joints, and deck grooving.
- North Haehl Creek Bridge is complete except for, joint seals, and deck grinding.
- Baechtel Creek Retaining Wall is complete.
- Permanent erosion control is installed on completed slopes.
- Temporary erosion control is installed in all areas that do not have permanent. Monitoring and maintenance will take place throughout the winter

Floodway Viaduct - STA "A" 149+00 to 167+50 (1.2 miles):

- The Floodway Viaduct is essentially complete except for grinding, grooving and joint seal assemblies and installation of the bicycle railing.
- The Concrete finish work will be performed in the summer of 2016.

North Segment (Viaduct to End of Project – STA "A" 167+50 to 191+10 (1.5 miles):

- Drainage systems are complete with the exception of some inlet grate assemblies which will be installed after paving in the summer of 2016.
- Imported fill from the Viaduct to the Northern tie-in is complete. Tie-in grading is expected to be complete by mid-June 2016
- Quail Meadows Overhead and Under Crossing bridges are complete except for deck grinding/grooving, joint seals and bicycle railing.
- Upp Creek Main Line, Upp Creek SB off Ramp, and Upp Creek NB on Ramp bridges are complete except for joints, grinding and joint seals, and bicycle railing.
- Utility relocation work is complete with the exception of relocation of one utility pole near Upp Creek. It is expected to be completed by April 2016 weather permitting.
- Erosion control is being installed, monitored and maintained at all locations.
- Aggregate Base is being partially installed north of the viaduct. Final completion will take place in the spring of 2016 when weather permits.
- Completion of final grading and paving will be performed in 2016, after fill settlement is complete.
- Electrical conduit is being installed for street lighting and CCTV cameras.
- The temporary Active Treatment System for stormwater sediment control is completed and functioning. The system has been operational during the recent storms and will be implemented as needed throughout winter and spring.



Item No. 7a

Meeting Date: January 13, 2016

AGENDA SUMMARY REPORT

To: City of Willits Successor Agency Board Members

From: Susie Holmes, Finance Director

Agenda Title: A RESOLUTION TO APPROVE THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2016-17 AND ADMINISTRATIVE BUDGET FOR JULY 2016 THROUGH JUNE 2017.

Type: Presentation Consent Regular Agenda Public Hearing Urgent Time: 10 min.

Summary of Request: The Successor Agency is being asked to consider:

OPS 2016-2017 and July 2016 through June 2017 Administrative Budget

The Dissolution Act requires the Successor Agency to approve a Recognized Obligation Payment Schedule (ROPS) annually. The ROPS is a document that includes all of the anticipated “enforceable obligations” of the former Redevelopment Agency that must be administered by the Successor Agency. The Successor Agency is being asked to consider adoption of the ROPS 2016-2017 for obligations anticipated in the July 2016 through June 2017 period. It mainly consists of debt service payments and administrative costs to wind down the Successor Agency.

The Dissolution Act was recently amended by Senate Bill 107 in September 2015. Among other changes, the ROPS is now submitted on an annual basis instead of every six-months. The ROPS 2016-2017 has been completed in the template provided by the State Department of Finance. It presents anticipated expenditures in the July to December 2016 (A) period and January to June 2017 (B) period. Property tax distributed to fund the ROPS will continue to be paid twice a year in June and January.

The Successor Agency is also required to adopt an administrative budget by the Dissolution Act. The ROPS incorporates a proposed Administrative Budget of \$80,000 for Fiscal Year 2016-2017. The proposed budget is based on actual administrative costs incurred by the Successor Agency in prior ROPS periods and estimates for costs for the upcoming period.

Once adopted by the Successor Agency the ROPS must be transmitted to the State Department of Finance, the County Executive Officer, and the County Auditor/Controller at the same time it is submitted to the Oversight Board.

An Oversight Board meeting will be scheduled within the next two weeks. Once approved by the Successor Agency's Oversight Board the final ROPS 2016-2017 will be submitted to the State Department of Finance and the County-Auditor Controller by February 1, 2016. If it is not approved and submitted by February 1, the Successor Agency will be subject to a late-fee of \$10,000 per day.

Recommended Action: Adopt the Resolution approving the ROPS 2016-2017 and Administrative Budget for the period July 2016 through June 2017

Alternative(s): None recommended.

Fiscal Impact: All future Successor Agency expenditures must be placed on the ROPS and approved by the Oversight Board and Department of Finance.

Personnel Impact: Some staff time (City Manager, City Clerk, Finance Director, and Community Development Director) will be involved in the continuing business of winding down the affairs of the former redevelopment agency, but the details of those processes are difficult to quantify because of constantly changing rules, forms and reporting requirements for administering the Successor Agency.

Reviewed by: City Manager City Attorney Finance Director Human Resources Risk

Council Action: Approved Denied Other: _____

Records: Agreement Resolution # _____ Ordinance # _____ Other _____

RESOLUTION NO. 2016-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLITS, SITTING AS THE SUCCESSOR AGENCY TO THE FORMER WILLITS REDEVELOPMENT AGENCY, APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2016-17 FOR JULY 2016 THROUGH JUNE 2017 AND APPROVING A JULY 2016 THROUGH JUNE 2017 ADMINISTRATIVE BUDGET

WHEREAS, pursuant to Assembly Bill (“AB”) x1 26, as amended by AB 1484 and Senate Bill 107 (or the “Dissolution Act”, as codified in the California Health & Safety Code), the City of Willits elected to become the Successor Agency to the former Willits Redevelopment Agency (“Successor Agency”); and

WHEREAS, among the duties of successor agencies is the preparation of a recognized obligation payment schedule (“ROPS”) for the ensuing twelve-month period for consideration by a local oversight board and California Department of Finance (“DOF”) for administering the wind-down of financial obligations of its former redevelopment agency; and

WHEREAS, the Dissolution Act requires that the proposed ROPS be transmitted to the local oversight board, county auditor-controller, county executive officer, and DOF, after which time the oversight board may approve and transmit the adopted ROPS to DOF, the State Controller, and the county auditor-controller for their consideration; and

WHEREAS, the proposed ROPS 2016-17 for the twelve-month period from July 1, 2016 through June 30, 2017, attached hereto as Exhibit “A”, has been prepared by staff and consultants consistent with the provisions of the Dissolution Act and in the format made available by DOF; and

WHEREAS, the Dissolution Act requires the Successor Agency to prepare a proposed administrative budget and submit it to its Oversight Board for approval; and

WHEREAS, the proposed ROPS 2016-17 includes an administrative budget of \$80,000 for the Fiscal Year 2016-17, to pay for staffing, operating costs, and professional administrative services related to the wind-down of the former redevelopment agency out of the administrative cost allowance permitted by the Dissolution Act; and

WHEREAS, the Successor Agency desires to approve the ROPS 2016-17 and the related Administrative Budget, and transmit it to various parties as required by the Dissolution Act.

NOW, THEREFORE, BE IT RESOLVED that the Successor Agency to the Willits Redevelopment Agency does hereby resolve as follows:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference; and

SECTION 2. The Successor Agency hereby approves and adopts the ROPS 2016-17 covering the period of July 2016 through June 2017, in substantially the form attached hereto as Exhibit A, as required by the Dissolution Act.

SECTION 3. The Successor Agency hereby approves and adopts the July 2016 through June 2017 Administrative Budget, which is incorporated in the ROPS.

SECTION 4. Successor Agency staff is hereby authorized to transmit and post a copy of the ROPS 2016-17 as required by the Dissolution Act and to take such further actions as may be necessary or appropriate to carry out the Successor Agency's obligations pursuant to this Resolution.

SECTION 5. The Successor Agency Secretary shall certify to the adoption of this Resolution.

The above and foregoing Resolution was introduced by Councilmember _____ seconded by Councilmember _____, and passed and adopted at a regular meeting of the City Council of the City of Willits, held on the 13th day of January, 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

BRUCE BURTON, Mayor
City Council of the City of Willits

ATTEST:

CATHY MOORHEAD, City Clerk

EXHIBIT "A"
RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2016-17
JULY 2016 THROUGH JUNE 2017

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency:

Willits

County:

Mendocino

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		16-17A Total	16-17B Total	ROPS 16-17 Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding				
A	Sources (B+C+D):	\$ 336,880	\$ 1,975	\$ 338,855
B	Bond Proceeds Funding	-	-	-
C	Reserve Balance Funding	336,880	1,975	338,855
D	Other Funding	-	-	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 42,035	\$ 444,861	\$ 486,896
F	Non-Administrative Costs	2,035	404,861	406,896
G	Administrative Costs	40,000	40,000	80,000
H	Current Period Enforceable Obligations (A+E):	\$ 378,915	\$ 446,836	\$ 825,751

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

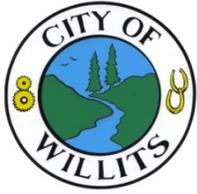
Name Title

/s/ _____
Signature Date

Willits Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [CASH BALANCE TIPS SHEET](#)

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
ROPS 15-16A Actuals (07/01/15 - 12/31/15)									
1	Beginning Available Cash Balance (Actual 07/01/15)	425,278	-		-	3,377	86,510		
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015	29	-	-	-	676	176,829		
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)	34	-	-	-	-	197,815		
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	425,273	-		-	-	-		
5	ROPS 15-16A RPTTF Balances Remaining	No entry required						26,691	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 4,053	\$ 38,833		
ROPS 15-16B Estimate (01/01/16 - 06/30/16)									
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 425,273	\$ -	\$ -	\$ -	\$ 4,053	\$ 65,524		
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016						423,877		
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)						123,855		
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	425,273					338,855		
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ 4,053	\$ 26,691		



Memorandum

To: Willits City Council
From: Bruce Burton, Mayor
Date: January 13, 2016
Subject: 2016 City Committees, Boards & Agency Appointments

Please be advised of the following appointments to City-related Committees, Boards, and Agencies for 2016:

Standing Committees of the City Council

Finance Committee (Mayor & Vice Mayor)	Bruce Burton Ron Orenstein
Water & Wastewater Systems Committee	Bruce Burton Larry Stranske
Revit-Ed Committee	Holly Madrigal Larry Stranske

Regional Boards

Economic Development & Financing Corporation (EDFC)	Madge Strong
Local Agency Formation Commission (LAFCo)	Holly Madrigal
Mendocino Council of Government (MCOG)	Larry Stranske Alternate: Holly Madrigal
Mendocino Solid Waste Management Authority-Joint Powers Authority	Ron Orenstein
Mendocino Transit Authority	Madge Strong
League of California Cities/Redwood Empire Division	Holly Madrigal
Mendocino County Museum Advisory Board	Madge Strong

Ad Hoc Committees

Caltrans Ad Hoc Committee	Bruce Burton Holly Madrigal
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