



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

**WILLITS CITY COUNCIL  
AGENDA  
JULY 14, 2010 ♦ 6:00 P.M. ♦ COUNCIL CHAMBERS**

1. **OPENING MATTERS** – a) Call to Order; b) Pledge to Flag; c) Roll Call
2. **PUBLIC MATTERS**
  - a. Presentation of Proclamation in Support of the Willits Library
  - b. Presentation by Economic Development and Finance Corporation (EDFC) Executive Director, Don Ballek, Regarding Annual Report of EDFC Activities and Accomplishments
3. **PUBLIC COMMUNICATIONS**

*Council welcomes participation in its meetings. Comments shall be limited to five 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.*
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:

  - a. City Council Minutes:
    - May 20, 2010 (Special Meeting)
    - June 23, 2010
    - June 28, 2010 (Special Meeting)
    - July 7, 2010 (Special Meeting)
  - b. Disbursements Journals, Including the Following:
    - Warrant Nos. 15752-15834 (Dated June 30, 2010), Totaling \$159,257.37
    - Warrant Nos. 15835-15837 (Dated June 30, 2010), Totaling \$346.23
    - Warrant No. 15767 (Dated July 1, 2010), Totaling \$100.00
  - c. Building Inspection Activity Report – May 2010
  - d. Amended City of Willits Quality Assurance Program
5. **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.*
6. **COMMISSIONS, AGENCIES AND AUTHORITIES**

*The City of Willits City Council meets concurrently as the City of Willits Community Development Agency and Planning Commission.*

7. **OLD BUSINESS**

8. **CITY MANAGER REPORTS AND RECOMMENDATIONS**

- a. Discussion and Possible Action Including Adoption of Resolution Establishing Fuel Prices at the City of Willits Municipal Airport (Ells Field) and Approval of Agreement with Western Petroleum to Provide Exxon/Mobile Branded Fuel at the Airport
- b. Discussion and Possible Action Regarding Proposed Change in Hours of Operation for City Hall and the Public Works and Engineering Office
- c. Discussion and Possible Approval of Consolidated Responses from the Willits City Council and Willits Police Chief to the Mendocino County Grand Jury Regarding Report Entitled “Working in the Rain, A Public Facility at Risk – A Report on the Willits Police Department”
- d. Other Reports – Verbal/No Action

9. **DEPARTMENT RECOMMENDATIONS**

- a. Police Chief
- b. City Planner
  - Discussion and Possible Adoption of Resolution Indicating Continued Support for the Healthy Cities Concept, for Continuing Participating in the California Healthy Cities and Communities Program, and Authorizing the City Manager to Submit a Grant Application to the California Healthy Cities and Communities, Center for Civic Partnerships for Funding in the Amount of \$20,000 to Assist in Developing a Program to Provide Access to Healthier Food for Willits Children and Youth
  - Update on West Commercial Street Planter-Bollards Project
- c. City Attorney
- d. Public Works Director
- e. City Engineer
- f. Finance Director
- g. City Clerk/Human Resources Director
  - Discussion and Possible Approval of a City-Wide Catastrophic Leave Policy

10. **CITY COUNCIL AND COMMITTEE REPORTS**

- a. Mendocino Council of Governments (MCOG)
- b. Local Agency Formation Commission (LAFCO)
- c. Mendocino Transit Authority (MTA)
- d. Revit-ED Committee
- e. Mendocino Solid Waste Management Authority-Joint Powers Authority (MSWMA-JPA)
- f. Economic Development and Financing Corporation (EDFC)
- g. League of California Cities
- h. Water Resources Committee
- i. Sewer System Committee
- j. Finance Committee
- k. Caltrans Ad Hoc Committee
- l. Other Committee Reports

11. **COUNCIL MEMBER REPORTS AND RECOMMENDATIONS**

- a. Discussion and Possible Action Regarding a Proposed Change to the Management of the Willits Municipal Airport

12. **ENACTMENT OF ORDINANCES**

13. **GOOD & WELFARE**

**14. CLOSED SESSION NOTICE**

- a. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6 – Agency Negotiators: Rick Haeg and Adrienne Moore; Employee Organization(s): All
- b. Conference with Legal Counsel Pursuant to Government Code Section 54956.9 – Existing Litigation: Brooktrails Township Community Services District, a Public Agency vs. City of Willits, a General Law City; and DOES 1 through 100, Inclusive; Case No. SCUJ CVG-1056037
- c. Conference with Legal Counsel Pursuant to Government Code Section 54956.9 – Anticipated Litigation: Significant Exposure to Litigation – One Case
- d. Pursuant to Government Code Section 54957 – Public Employee Performance Evaluation – City Manager

**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 9<sup>th</sup> day of July, 2010.  
Adrienne Moore, City Clerk*

**AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANCE**

*The meeting room is wheelchair accessible and disabled parking is available. If you are a person with a disability and need disability-related modifications or accommodations to participate in this meeting, please contact Adrienne Moore at (707) 459-7120 or Fax (707) 459-1562. Requests for such modifications or accommodations must be made at least two full business days prior to the meeting.*

**ADDITIONAL MEETING INFORMATION FOR INTERESTED PARTIES**

*Materials related to an item on this Agenda submitted to the Willits City Council, Planning Commission, or Community Development Agency after distribution of the agenda packet are available for public inspection at City Clerk's office at 111 E. Commercial Street, Willits, during normal business hours.*

# PROCLAMATION

## A PROCLAMATION OF THE WILLITS CITY COUNCIL IN SUPPORT OF THE WILLITS LIBRARY

WHEREAS, the Willits Library is a vital part of the civic life of Willits; and

WHEREAS, our school age children, seniors, and city residents in general rely on the Willits Library; and

WHEREAS, the Willits Library offers a free public meeting room; and

WHEREAS, the Willits Library is the logical venue for tutoring and for English as a second language instruction in Willits; and

WHEREAS, the Willits Library has the only free public access to the Internet in Willits; and

WHEREAS, the Willits Library has a free weekly Story Time for youngsters; and

WHEREAS, the Willits Library provides the kinds of materials that are essential for a democratic society; and

WHEREAS, the City of Willits has historically contributed financially to the Willits Library and challenges other Mendocino County cities to likewise support their libraries.

NOW, THEREFORE, I, Bruce Burton, Mayor of the City of Willits, do hereby proclaim that the Willits Library is an essential and irreplaceable component of the City of Willits.

IN WITNESS WHEREOF, I have hereunto set my hand and cause the Seal of the CITY OF WILLITS to be affixed this 14<sup>th</sup> day of July, 2010.

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Bruce Burton, Mayor

ATTEST:

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Adrienne Moore  
City Clerk

# Annual Report

Prepared for the City of Willits

July 2010



ECONOMIC DEVELOPMENT  
& FINANCING CORPORATION  
631 South Orchard Avenue  
Ukiah, CA 95482

## Overview:

The City of Willits along with the other jurisdictions in Mendocino County came together along with the County in 1994 to create a county wide economic development organization. Their vision created an organization that not only loaned out over \$3 million and helped many Willits and Mendocino County businesses grow and retain jobs, but also added much to the economic base and the quality of life within our community.

Fiscal year 2009/2010 found EDFC assisting our loan clients during the economic downturn. The fiscal year ended with EDFC in a stronger position to weather the current and future economic conditions.

## Reorganization:

- **File organization:** Loan files have been reviewed and compiled according to IRP Guidelines.
- **Loan processes:** Guidelines were reviewed and streamlined to reflect tighter controls.
- **Board of directors:** An active board of directors. (See attached)
- **Loan Committee:** Committee is composed of professionals with financial expertise.
- **West Company:** Formalized business plan review process.
- **Delinquent loans:** Formalized monitoring and technical assistance process.

**Economic Development:** Simply defined, is the creation/retention of wealth. The Economic Development side of EDFC means working with business start ups, existing businesses and to recruit businesses. The funding of economic development in Mendocino County has historically been and continues to be - non sustainable. With limited resources, EDFC was able to assist a variety of businesses and projects during the past fiscal year.

- **Localization:** County wide efforts to educate citizens of the value to shop locally. Localization means more than just shop local. It also means that the largest employers should have a buy local component to their purchasing policy. For example one casino in the county spends \$1.5 million per month with their vendors. A 10% shift to local vendors would see an additional \$150,000 in the economy monthly!
- **Access to Capital Workshop:** Access to Capital workshop was held at the conference center in Ukiah on May 13<sup>th</sup>. Business owners were able to meet with lenders and how to access the funds.
- **Mendo Green:** EDFC staff and green certification committee are developing a certification program that will be hosted by the Mendocino Water office. The program is patterned after the Bay Area Green program.
- **BioMass/Meat Industry Study:** Completed the Economic Development Administration grant and all associated paperwork. Meat Committee inclusive approach included prior opposition. Submitted application to finalize the meat study and begin the bio mass research.
- **Green Week Event:** Participated in Green Week activities. Booth was manned by staff and discussions were centered on the Green Business Certification program.

- **STARTING A BUSINESS IN WILLITS: A Business Development Workshop**  
EDFC participated in the workshop. Loan Committee Chair Richard Cooper presented on behalf of EDFC.

## Start up businesses:

Met with and referred start up business to the West Company.

## Existing businesses:

Most of a community's job growth and capital investment comes from companies already located there. Based on Blane, Canada Ltd.'s research, an urban/suburban community will average 76% of their growth from existing employers. A rural community is even more dependent on internal growth. Therefore, existing businesses are the first priority for limited resources.



## Recruitment:

According to experts, only about 15% of jobs created are from recruitment efforts; and that rural communities are even less. Thus the efforts for recruitment should reflect the resources available while remaining ready for when opportunity knocks. EDFC hosted prospects and located resources for the companies.

**Pallets:** A prospect from Atlanta is looking for a west coast presence. Staff participated in phone conference with Pallet broker. The project would create three jobs initially. This project was a lead from Upstate California.

## Loans:

EDFC applied for an additional \$300,000 from the Intermediary Relending Program (IRP) of the United States Department of Agriculture. (USDA) The additional funds were approved and recently announced at the Access to Capital workshop.

EDFC modified loan terms and payments to assist local clients during these challenging economic times.

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
15621	05/28/10	PRINTING PLUS	127 VOID CHECK	122.89CR	509067	11820		P M H 600.601
15744	06/15/10	WILLITS NEWS	179 VOID CHECK	63.82CR	509068	06152010		P N H 100.1002.2090.000
15744	06/15/10	WILLITS NEWS	179 VOID CHECK	1,013.65CR	509068	06152010		P N H 430.4330.2055.000
				1,077.47CR	*CHECK TOTAL			
15752	06/21/10	WESTLAW INC	4122 LEGAL SERVICES	353.51	509051	820143222		P N H 100.1004.2050.000
15753	06/21/10	AFLAC	4266 FLEX ONE CHECKS WAITIN	95.15	509052	100621		P N H 690.246
15754	06/21/10	COUNTY OF MENDOCINO	390 HEP B & TETNUS SHOTS	81.00	509053	100621		P N H 100.1005.2061.013
15755	06/22/10	HARTFORD RETIREE PRE	4422 YDE MEDICAL JUNE	411.19	509054	100622		P N H 690.231
15756	06/25/10	MENDO-LAKE CREDIT UN	104 DIRECT DEPOSIT P/R	3,130.00	509055	100625		P N H 690.237
15757	06/25/10	AFLAC	4036 125 POLICY PREMIUMS	863.66	509056	100625		P N H 690.246
15758	06/25/10	HARTFORD LIFE INSURA	709 DEFERRED COMP PPE 6	2,010.00	509057	100625		P N H 690.236
15759	06/25/10	MENDOCINO CHILD SUPP	1057 PR DEDCTN CHILD SUPPO	295.00	509058	100625		P N H 690.233
15760	06/25/10	FRANCHISE TAX BOARD	695 P/R DEDUCT TAXES	428.41	509059	100625		P N H 690.233
15761	06/25/10	UNITED STATES TREASU	4252 PR DEDCTN IRS	300.00	509060	100625		P N H 690.233
15762	06/25/10	PERS	256 EMPLOYER CONTRIBUT	20,954.83	509061	100625		P N H 690.229
15762	06/25/10	PERS	256 EMPLOYEE CONTRIBUTI	7,981.68	509061	100625		P N H 690.230
				28,936.51	*CHECK TOTAL			
15763	06/28/10	AFLAC	4266 CHECKS WAITING	706.05	509062	100628		P N H 690.246
15763	06/28/10	AFLAC	4266 VOID CHECK	706.05CR	509063	100628		P N H 690.246
				0.00	*CHECK TOTAL			
15764	06/28/10	AFLAC	4266 CHECKS WAITING SCOFIE	706.05	509064	100628		P N H 690.246
15765	06/28/10	U S POSTMASTER	166 POSTAGE WTR QUAL REPO	836.28	509065	100628		P N H 503.5033.2055.000
15766	06/29/10	WELLS FARGO FINANCIA	4249 PRINCIPAL PMT	1,215.26	509066	100615		P N H 501.5013.3001.000
15766	06/29/10	WELLS FARGO FINANCIA	4249 INTEREST PMT	253.60	509066	100615		P N H 501.5013.3002.000
15766	06/29/10	WELLS FARGO FINANCIA	4249 TAX	128.52	509066	100615		P N H 501.5013.3010.000
				1,597.38	*CHECK TOTAL			
15768	06/30/10	A T & T	259 TELEPHONE	171.50	508979	100619		P N W 503.5030.2015.000
15769	06/30/10	ACS	1432 COMPUTER UPGRADE	679.68	508973	541917		P N W 100.1003.2041.000
15769	06/30/10	ACS	1432 COMPUTER UPGRADE	407.81	508973	541917		P N W 206.2060.2041.000
15769	06/30/10	ACS	1432 COMPUTER UPGRADE	815.63	508973	541917		P N W 501.5010.2041.000
15769	06/30/10	ACS	1432 COMPUTER UPGRADE	815.63	508973	541917		P N W 503.5030.2041.000
				2,718.75	*CHECK TOTAL			

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Disbursements Journal

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
15770	06/30/10	ADAM'S TIRE & AUTO S	225 FLAT REPAIR	10.00	508971	608232		P M W 100.1022.2044.000
15771	06/30/10	AFLAC	1018 FLEX ONE SERVICE FEE	25.00	508974	100623		P N W 690.246
15772	06/30/10	ARCHER/MARY	4426 CLEANING SUPPLIES	11.19	508977	100615		P N W 100.1030.2041.000
15772	06/30/10	ARCHER/MARY	4426 KIDS FAIR SUPPLIES	10.33	508977	100615		P N W 100.1030.2041.000
				21.52	*CHECK TOTAL			
15773	06/30/10	AT&T	4123 TELEPHONE	850.71	508978	100603		P N W 100.1020.2015.000
15773	06/30/10	AT&T	4123 TELEPHONE	268.70	508978	100603		P N W 100.1040.2015.000
15773	06/30/10	AT&T	4123 TELEPHONE	15.69	508978	100603		P N W 100.1030.2015.000
15773	06/30/10	AT&T	4123 TELEPHONE	95.37	508978	100603		P N W 501.5013.2015.000
15773	06/30/10	AT&T	4123 TELEPHONE	66.30	508978	100603		P N W 503.5030.2015.000
15773	06/30/10	AT&T	4123 TELEPHONE	15.78	508978	100603		P N W 500.5001.2110.000
15773	06/30/10	AT&T	4123 TELEPHONE	29.66	508978	100603		P N W 600.601
15773	06/30/10	AT&T	4123 TELEPHONE	335.52	508978	100603		P N W 100.1002.2015.000
15773	06/30/10	AT&T	4123 TELEPHONE	201.31	508978	100603		P N W 206.2060.2015.000
15773	06/30/10	AT&T	4123 TELEPHONE	100.66	508978	100603		P N W 210.2100.2015.000
15773	06/30/10	AT&T	4123 TELEPHONE	100.66	508978	100603		P N W 100.1015.2015.000
15773	06/30/10	AT&T	4123 TELEPHONE	100.66	508978	100603		P N W 100.1010.2015.000
15773	06/30/10	AT&T	4123 TELEPHONE	10.55	508978	100603		P N W 206.2060.2015.000
15773	06/30/10	AT&T	4123 TELEPHONE	10.54	508978	100603		P N W 100.1010.2015.000
15773	06/30/10	AT&T	4123 TELEPHONE	10.54	508978	100603		P N W 210.2100.2015.000
				2,212.65	*CHECK TOTAL			
15774	06/30/10	ATLANTIC COAST POLYM	4351 TREATMENT CHEMICALS	1,512.00	508976	16908		P N W 501.5013.2101.034
15775	06/30/10	ATT MOBILITY	4253 CELL PHONE SERVICE	79.19	508972	100612		P N W 100.1040.2015.000
15775	06/30/10	ATT MOBILITY	4253 CELL PHONE SERVICE	106.09	508972	100612		P N W 100.1042.2015.000
15775	06/30/10	ATT MOBILITY	4253 CELL PHONE SERVICE	47.57	508972	100612		P N W 206.2060.2015.000
15775	06/30/10	ATT MOBILITY	4253 CELL PHONE SERVICE	19.08	508972	100612		P N W 100.1011.2015.000
15775	06/30/10	ATT MOBILITY	4253 CELL PHONE SERVICE	36.24	508972	100612		P N W 503.5030.2015.000
15775	06/30/10	ATT MOBILITY	4253 CELL PHONE SERVICE	103.10	508972	100612		P N W 501.5013.2015.000
15775	06/30/10	ATT MOBILITY	4253 CELL PHONE SERVICE	31.33	508972	100612		P N W 100.1015.2015.000
15775	06/30/10	ATT MOBILITY	4253 CELL PHONES	123.82	509049	100612		P N W 100.1020.2015.000
				546.42	*CHECK TOTAL			
15776	06/30/10	AUTO MART	750 FAN & MOTOR #237	699.58	508975	10561		P M W 100.1022.2044.000
15777	06/30/10	BANK OF AMERICA	10 FUEL TESTS	11.44	508980	100618		P N W 500.5001.2041.000
15777	06/30/10	BANK OF AMERICA	10 CD READ/WRITE DRIVE	54.78	508980	100618		P N W 100.1003.2055.000
15777	06/30/10	BANK OF AMERICA	10 ARCVIEW WORKBOOK	219.43	508980	100618		P N W 100.1042.2055.000
15777	06/30/10	BANK OF AMERICA	10 INTERNET	59.99	508980	100618		P N W 503.5030.2015.000
15777	06/30/10	BANK OF AMERICA	10 DOMAIN NAME REGISTRATI	15.00	508980	100618		P N W 100.1003.2041.000
15777	06/30/10	BANK OF AMERICA	10 GRAYWATER CLASS	595.00	508980	100618		P N W 206.2060.2105.000
15777	06/30/10	BANK OF AMERICA	10 RAIN GAUGE	27.99	508980	100618		P N W 213.2133.2101.045
15777	06/30/10	BANK OF AMERICA	10 WATER SMART CONFERENC	390.00	508980	100618		P N W 206.2060.2105.000
				1,373.63	*CHECK TOTAL			

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
15778	06/30/10	BANK OF AMERICA	4395 J2 FAX SERVICE	750.00	509035	100618		P N W 100.140
15779	06/30/10	BURTNESS/KEVIN	4185 MONTHLY MAINTENANCE	50.00	508981	100624		P M W 100.1040.2081.030
15779	06/30/10	BURTNESS/KEVIN	4185 MONTHLY MAINTENANCE	100.00	508981	100624		P M W 100.1042.2081.030
				150.00	*CHECK TOTAL			
15780	06/30/10	CA DEPARTMENT OF PUB	4367 MANNATT DIST CERT	80.00	509072	100630		P N W 503.5030.2001.002
15781	06/30/10	CATHERINE KILLION'S	4027 JANITORIAL SERVICE	130.00	508985	09/10.12		P M W 100.1040.2081.030
15781	06/30/10	CATHERINE KILLION'S	4027 JANITORIAL SERVICE	130.00	508985	09/10.12		P M W 100.1042.2081.030
15781	06/30/10	CATHERINE KILLION'S	4027 JANITORIAL SERVICE	800.00	508986	72		P M W 100.1016.2061.020
15781	06/30/10	CATHERINE KILLION'S	4027 CLEANING COMM CENTER	125.00	508986	72		P M W 600.602
				1,185.00	*CHECK TOTAL			
15782	06/30/10	CAYLER/PAUL	4259 10000	100.00	508983	100623		P N W 100.1002.2015.000
15783	06/30/10	CHEVRON USA, INC.	27 LATE CHARGE	41.00	508984	25350444		P N W 100.1020.2199.000
15784	06/30/10	COUNTY OF MENDOCINO	4133 SERVICE & SUPPORT	818.67	508982	2105.2		P N W 100.1020.2081.030
15785	06/30/10	CRAWFORD SIGNS	4070 STATE PARKS SIGN	380.63	508987	2010202		P M W 406.4060.4003.000
15786	06/30/10	DALE, TOBEY	08635 MILEAGE REIMBURSEMENT	12.65	509042	100629		P N W 100.1020.2105.000
15787	06/30/10	DELL BUSINESS CREDIT	4449 TONER CARTRIDGES	339.29	509071	296507085		P N W 100.1010.2055.000
15788	06/30/10	DELTA ENGINEERING	4265 ARCVIEW GIS TRAININ	5,550.00	508988	9811		P M W 100.1042.2105.000
15789	06/30/10	DFK SOLUTIONS GROUP	4452 CONFINED SPACE TRAI	1,100.00	509048	1129		P N W 501.5011.2105.000
15790	06/30/10	EBA ENGINEERING INC	3985 MONITORING	455.42	508989	21604		P N W 201.2011.2081.030
15791	06/30/10	FERNANDEZ, DALLAS	08634 REFUND CREDIT BALANCE	24.60	509041	100615		P N W 503.111
15792	06/30/10	FRYMAN SEPTIC TANK S	56 PORTABLE TOILET RENTA	108.75	508990	464285		P M W 503.5033.2041.000
15793	06/30/10	GROENIGER & CO INC.	4072 IRRIGATION SYSTEM PAR	523.23	508991	401261300		P N W 207.2070.4003.000
15793	06/30/10	GROENIGER & CO INC.	4072 IRRIGATION SYSTEM PAR	352.80	508992	401261301		P N W 207.2070.4003.000
				876.03	*CHECK TOTAL			
15794	06/30/10	HACH COMPANY	70 MEASURD DROPPING BOTT	122.80	508994	309204838		P N W 503.5033.2101.034
15795	06/30/10	HILTI INC.	4451 DRILL BITS	582.80	509046	513478520		P N W 100.1042.2101.045
15795	06/30/10	HILTI INC.	4451 ADHESIVE, SHANK, PLAT	539.57	509047	513480623		P N W 100.1042.2101.045
				1,122.37	*CHECK TOTAL			
15796	06/30/10	HIS DESIGN	4237 SEWER SYSTEM PLAN	1,530.00	508993	100625		P M W 501.5011.2081.030
15796	06/30/10	HIS DESIGN	4237 WATER SYSTEM PLAN	270.00	508993	100625		P M W 503.5034.2081.030
				1,800.00	*CHECK TOTAL			

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
15797	06/30/10	I B E W	255 EMPLOYEE CONTRIBUTION	308.85	508995	100623		P N W 690.235
15798	06/30/10	J & M SHEETMETAL	86 BRACKETS	156.60	508996	11022		P N W 501.5013.2041.000
15799	06/30/10	JOHNSON IT GROUP	4450 CONSULTING	237.50	509045	20344.01		P M W 100.1005.2061.013
15800	06/30/10	LINDA COLVIG	08633 CONSESSIONS	346.44	509040	100617		P N W 100.1030.2101.045
15801	06/30/10	LNS WELDING	4200 MOWER PARTS	481.98	508997	8642		P M W 501.5013.2041.000
15802	06/30/10	MEAD & HUNT INC	4031 ENVIRONMENTAL ASSESSM	824.60	509002	217083		P N W 500.5001.2101.041
15802	06/30/10	MEAD & HUNT INC	4031 ENVIRONMENTAL ASSESSM	891.00	509003	217416		P N W 500.5001.2101.041
				1,715.60	*CHECK TOTAL			
15803	06/30/10	MENDO MILL & LUMBER	284 BALANCE DUE ON STATEME	17.95	508998	100531		P N W 600.601
15804	06/30/10	MENDOCINO CO CO-OP	4448 AERIAL PATROL FY10.11	224.00	509043	100630		P N W 500.5001.2101.045
15805	06/30/10	MENDOCINO GLOVE COMP	4372 GLOVES	40.72	508999	30214		P N W 501.5013.2010.000
15805	06/30/10	MENDOCINO GLOVE COMP	4372 GLOVES	165.74	509070	30184		P N W 501.5013.2010.000
				206.46	*CHECK TOTAL			
15806	06/30/10	MENDOCINO JANITORIAL	4255 JANITORIAL SERVICE	1,600.00	509001	1442		P M W 100.1016.2061.020
15807	06/30/10	MUNICIPAL MAINTENANC	4305 HOSE FOR SEWER JET	1,558.39	509000	0061078.N		P N W 501.5011.2041.000
15808	06/30/10	NTU TECHNOLOGIES	211 WTR TREATMENT CHEM	28,911.00	509004	6941		P N W 503.5033.2101.034
15809	06/30/10	NUNEZ, REYNALDA	08632 REFUND CLEANING DEPOS	300.00	509038	100621		P N W 600.602
15810	06/30/10	OCE IMAGISTICS	158 COPIER MAINTENANCE	85.07	509005	761780		P M W 100.1040.2041.000
15810	06/30/10	OCE IMAGISTICS	158 COPIER MAINTENANCE	85.06	509005	761780		P M W 100.1042.2041.000
				170.13	*CHECK TOTAL			
15811	06/30/10	P G & E COMPANY	114 ELECTRIC SERVICE	218.97	509013	100615		P N W 100.1042.2110.000
15811	06/30/10	P G & E COMPANY	114 ELECTRIC SERVICE	13.71	509013	100615		P N W 100.1050.2110.000
15811	06/30/10	P G & E COMPANY	114 ELECTRIC SERVICE	8.39	509013	100615		P N W 501.5013.2110.000
15811	06/30/10	P G & E COMPANY	114 ELECTRIC SERVICE	18.34	509013	100615		P N W 503.5033.2110.000
				259.41	*CHECK TOTAL			
15812	06/30/10	PEAT/LESTER	4281 CONTRACT OPERATOR	2,640.00	509007	062010		P M W 503.5033.2081.030
15813	06/30/10	PETTY CASH	30 MISC OFFICE SUPPLIES	96.63	509024	100623		P N W 100.1020.2199.000
15813	06/30/10	PETTY CASH	30 KEYS	6.17	509024	100623		P N W 100.1022.2044.000
15813	06/30/10	PETTY CASH	30 LUNCH PERDIEM 2 DAYS	36.00	509024	100623		P N W 100.1022.2106.000
15813	06/30/10	PETTY CASH	30 BRIDGE TOLL GANG CONF	6.00	509024	100623		P N W 651.6510.2199.000
				144.80	*CHECK TOTAL			

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
15814	06/30/10	PISCIOTTA ELECTRIC/R	672 SERVICE CALL	75.00	509017	715		P M W 600.601
15815	06/30/10	PITNEY BOWES	125 POSTAGE MACHINE	147.42	509008	2844322JN10		P N W 100.1002.2095.000
15815	06/30/10	PITNEY BOWES	125 POSTAGE MACHINE	554.97	509008	2844322JN10		P N W 100.1002.2095.000
15815	06/30/10	PITNEY BOWES	125 FOLDING MACHINE	965.94	509008	2844322JN10		P N W 100.1002.2095.000
				1,668.33	*CHECK TOTAL			
15816	06/30/10	PMC INC	4040 UPDATE HOUSING ELEMEN	100.00	509006	31514		P N W 100.1010.2061.020
15817	06/30/10	PRINTING PLUS	127 POSTERS/POSTCARDS	141.38	509009	11998		P M W 600.601
15817	06/30/10	PRINTING PLUS	127 VEHICLE ABTMNT STICKE	220.16	509010	12044		P M W 100.1020.2055.000
15817	06/30/10	PRINTING PLUS	127 UTILITY NOTICE	382.80	509011	12060		P M W 503.5030.2055.000
15817	06/30/10	PRINTING PLUS	127 CONSUMER CONF REPORT	780.83	509012	12053		P M W 503.5030.2091.000
				1,525.17	*CHECK TOTAL			
15818	06/30/10	RDJ SPECIALTIES INC	4433 JUNIOR STICKERS	470.00	509014	356640		P N W 651.6510.2199.000
15819	06/30/10	REDWOOD ELECTRICAL S	4416 AIRPORT REPAIRS	380.00	509034	1599		P N W 500.5001.2045.000
15820	06/30/10	REESE CONSULTING	4424 PRTRTMNT TANK ANALY	1,400.00	509016	10.0208		P N W 503.5034.2061.012
15821	06/30/10	RENEWABLE ENERGY DEV	4175 HELP PROGRAM	7,704.00	509015	20100601		P N W 210.2100.2101.045
15822	06/30/10	SAN DIEGO POLICE EQU	4405 AMMO/SUPPLIES	701.55	509019	593182		P N W 100.1022.2101.032
15823	06/30/10	SPARETIME SUPPLY INC	124 POST HOLE DIGGER	48.98	509018	20106		P N W 201.2011.2101.045
15824	06/30/10	STATE WATER RES CONT	468 GRADE 2 APPLICATION F	130.00	509039	100629		P N W 501.5013.2001.002
15825	06/30/10	UKIAH PAPER SUPPLY I	164 CARPET SHAMPOO & NAIL	176.23	509020	364005		P N W 100.1016.2025.000
15825	06/30/10	UKIAH PAPER SUPPLY I	164 AEROSOL CLEANER	101.96	509021	364980		P N W 100.1022.2101.033
15825	06/30/10	UKIAH PAPER SUPPLY I	164 PAPER TOWELS/TISSUE	1,234.19	509022	365036		P N W 100.1050.2101.045
				1,512.38	*CHECK TOTAL			
15826	06/30/10	UNITED PARCEL SERVIC	165 PUBLIC WORKS	45.00	509036	100624		P N W 100.1042.2055.000
15826	06/30/10	UNITED PARCEL SERVIC	165 ENGINEERING	45.00	509036	100624		P N W 100.1042.2055.000
15826	06/30/10	UNITED PARCEL SERVIC	165 WWTP SHIPPING COSTS	1,894.75	509036	100624		P N W 430.4330.2055.001
				1,984.75	*CHECK TOTAL			
15827	06/30/10	W P O A	262 JUNE CONTRIBUTIONS	871.42	509028	100625		P N W 690.234
15828	06/30/10	WATER WORKS ENGINEER	4285 DESIGN PRTRTMNT FA	25,367.54	509029	1320		P M W 503.5034.2061.012
15829	06/30/10	WESTAMERICA BANK	4161 MOBILE OFFICE PMT	2,784.53	509030	100621		P N W 100.1098.3001.000
15829	06/30/10	WESTAMERICA BANK	4161 MOBILE OFFICE PMT	1,007.61	509030	100621		P N W 100.1098.3002.000
15829	06/30/10	WESTAMERICA BANK	4161 TRUCK PMT	3,133.76	509031	100624		P N W 501.5011.3001.000
15829	06/30/10	WESTAMERICA BANK	4161 TRUCK PMT	1,177.03	509031	100624		P N W 501.5011.3002.000
				8,102.93	*CHECK TOTAL			

Disbursements Journal

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
15830	06/30/10	WILLITS HIGH SCHOOL	4364 DONATION LEAA ANTI-	2,000.00	509025	100623		P N W 600.626
15831	06/30/10	WILLITS KIDS CLUB	3981 LEAA ANTI-DRUG DONA	2,000.00	509026	100623		P N W 600.626
15831	06/30/10	WILLITS KIDS CLUB	3981 PAYROLL DEDUCTION	40.00	509027	100625		P N W 690.248
				2,040.00	*CHECK TOTAL			
15832	06/30/10	WILLITS OTTERS SWIM	.08630 DONATION ANTI-GANG/DR	500.00	509037	100623		P N W 600.626
15833	06/30/10	XEROX CORP	185 COPIER LEASE	109.17	509032	100601		P N W 206.2060.2055.000
15834	06/30/10	ZFA STRUCTURAL ENGIN	4220 METAL BUILDING ADDITI	135.00	509033	8537		P N W 503.5034.2081.030
GENERAL CHECK FORM								
			TOTAL	159,257.37				

ACCOUNTS PAYABLE SYSTEM  
06/30/2010 14:45:49

Disbursements Journal

CITY OF WILLITS  
GL540R-V07.00 PAGE 1

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
GENERAL CHECK FORM								
15835	06/30/10	CA DEPARTMENT OF PUB	4367 WILSON GRADE 2 CERT	80.00	509075	1006302		P N W 503.5030.2001.002
15835	06/30/10	CA DEPARTMENT OF PUB	4367 WILSON GRADE 2 CERT	60.00	509075	1006302		P N W 503.5030.2001.002
				140.00	*CHECK TOTAL			
15836	06/30/10	JANET RAYNER	4453 REIMBURSEMENT STAPLES	21.23	509076	100630		P N W 600.601
15837	06/30/10	WILLITS NEWS	179 DISCOVER WILLITS AD	185.00	509077	3477090		P N W 600.601
GENERAL CHECK FORM								
			TOTAL	346.23				

ACCOUNTS PAYABLE SYSTEM  
07/01/2010 14:27:14

Disbursements Journal

CITY OF WILLITS  
GL540R-V07.00 PAGE 1

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F 9 S ACCOUNT
		GENERAL CHECK FORM						
15767	06/29/10	WILLITS SHAKESPEARE	.08636 RENTAL REFUND WCAC	100.00	509078	100629		P N H 600.601
		GENERAL CHECK FORM	TOTAL	100.00				

CITY OF WILLITS

BUILDING INSPECTION ACTIVITY REPORT

FOR THE MONTH OF: May 2010

<u>NEW CONSTRUCTION</u>	<u>LIVING UNITS</u>	<u>BLDG. PERMITS</u>	<u>VALUATION</u>
0) Single Family Dwellings			
1) Two Family Dwelling			
2) Three and Four Family Dwelling			
3) Five or More Family Dwelling			
4) Moved Dwellings and Modular Units			
5) Hotels and Motels			
6) Amusement and Recreation Buildings			
7) Churches and Religious Buildings			
8) Industrial Buildings		1	\$ 156,800.00
9) Private Garages and Carports			
10) Service Station and Repair Garages			
11) Office, Bank and Professional Buildings			
12) Stores and Similar Buildings			
13) Warehouse and Agriculture Buildings			
<u>MISCELLANEOUS CONSTRUCTION</u>			
14) Reroof, Siding, Windows, Etc.			
15) Heating and Air Conditioning		1	\$ 2,500.00
16) Electric, Mechanical, Plumbing		4	\$ 7,500.00
17) Demolition			
<u>STRUCTURES OTHER THAN BUILDINGS</u>			
18) Foundations, Pools, Walls, Signs, etc.			
<u>CONVERSIONS</u>			
19) Non-Residential to Residential			
20) Residential to Non-Residential			
<u>ADDITIONS AND ALTERATIONS</u>			
21) Residential Buildings		1	\$ 10,000.00
22) Non-Residential Buildings			
<b>TOTALS</b>		<b>7</b>	<b>\$ 176,800.00</b>

<u>COMPARISON</u>	<u>TYPE OF PERMIT AND OTHER REVENUE</u>
Valuation This Month	Building #s FEE'S
Valuation Same Month Last Year	Electrical 3 \$ 3,012.42
Revenue This Month	Mechanical 3 \$ 207.00
Revenue Same Month Last Year	Plumbing 1 \$ 54.00
Permits This Month	Grading
Permits Same Month Last Year	Demolition
	Plan Check
	Late Fee
	Bldg. Survey
	Sewer Insp.
<b>TOTALS TO DATE THIS FISCAL YEAR</b>	<b>TOTALS: 7 \$ 3,273.42</b>
Construction Valuation	
Fees Collected	
No. of Permits	
<b>TOTALS TO SAME DATE LAST YEAR</b>	
Construction Valuation	
Fees Collected	
No. of Permits	

Respectfully Submitted:  
*W. Frank Howard* 6-15-10  
 W. Frank Howard, Building Insp. / Date



Item No. 4d

Meeting Date: July 14, 2010

## AGENDA SUMMARY REPORT

**To:** Honorable Mayor and Council Members

**From:** Paul Cayler, City Manager

**Agenda Title:** APPROVAL OF AMENDED CITY OF WILLITS QUALITY ASSURANCE PROGRAM

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

**Summary of Request:** In March of this year, the City Manager with Council approval submitted to Caltrans an updated Quality Assurance Program (QAP). The City's QAP was developed to set forth the requirements for testing materials used during construction of projects, which are State or Federally funded. At that time, Staff informed the Council that the QAP should be updated on an as needed basis.

Through the bidding process for the West Commercial Street Rehabilitation Project, and through communications with Caltrans and various contractors, Staff has determined that there are some revisions needed at this time.

The first amendment being proposed is specific to the hiring of the various laboratories used during the materials testing process. When conducting materials testing, there are the initial tests that are done on an ongoing basis throughout the project. These tests are known as Acceptance Tests (AT) and they are done to ensure that each time a new material is introduced it meets certain construction standards. If the owner is not certified in materials testing, a laboratory must be hired to perform the AT tests. The current QAP charges the contractor with the responsibility of hiring the AT laboratory. In addition to the ongoing tests, there are random samples and tests that are taken from a separate independent laboratory, to ensure the AT laboratory is performing satisfactorily. These random tests are referred to as Independent Assurance Sampling and Testing (IAST). The current QAP charges the City with the responsibility of hiring the lab that conducts the IAST procedures. Staff is requesting that the QAP be amended to read that the City is responsible for hiring both AT laboratory and the IAST laboratory. Staff believes that there will be better oversight if both laboratories are required to report directly to the City as opposed to one lab reporting to the contractor and one to the City.

The second amendment being proposed is related to the applicability of hiring the second lab to conduct IAST testing. Staff has learned, through communications with Caltrans that if the City contracts with a Caltrans certified laboratory for the AT testing, they may exclude the IAST procedures; thereby excluding the IAST lab. The reason the IAST procedures may be excluded when utilizing a Caltrans certified lab, is because Caltrans, through its certification procedures conducts the IAST procedures for the labs, as part of the annual certification process. By making this change, the City is able to reduce both the cost of materials testing and the amount of administrative oversight needed when conducting materials testing on federally funded projects.

Due to the overall size of the QAP, only the page reflecting the aforementioned amendments has been attached for review. For ease of comparison, the old version and the proposed version are noted with the term "Original Page" or "Revised Page."

**Recommended Action:** Approve the amended City of Willits Quality Assurance Program.

**Alternative(s):** None Recommended.

**Fiscal Impact:** The Fiscal Impact is unknown at this time. It can be said however that in the instance of the West Commercial Street project, if these amendments are approved, staff will negotiate a construction contract change order for a reduction of the contract in the amount of \$5,750. Subsequently, City Staff will solicit proposals for the Acceptance Testing only, which is anticipated to be a savings.

**Personnel Impact:** Minimal Staff time is needed to finalize the proposed changes.

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

**Council Action:**  Approved  Denied  Other: \_\_\_\_\_

**Records:**  Agreement  Resolution # \_\_\_\_\_  Ordinance # \_\_\_\_\_  Other \_\_\_\_\_

VI.6 Test Result Reporting Guidelines. Results should be submitted to the City Inspector within 3 working days of sampling, or as dictated by the construction schedule. Results may be expedited by using fax, telephone, or e-mail.

VI.7 Summary Logs. "Material Testing Summary Logs" shall be maintained by the City Inspector for each material requiring multiple sampling and testing. Log data shall include, for example, station location, test sample depth, approximate quantity of sample materials, test result, and tester.

VI.8 Minor Quantities. Relatively minor quantities of materials from a known, reliable source may be accepted without testing if:

- a. The City Inspector performs visual examination of materials, or
- b. The manufacturer or supplier certifies that the material furnished complies with specification requirements.

Such records of acceptance shall be placed in the City Inspector's project files with related inspection notes.

Examples of maximum "minor quantities" include (from LAPM-16.14):

- Aggregates used for other than Portland Cement concrete: 100 tons per day or 500 tons per project.
- Bituminous mixtures: 50 tons per day or 500 tons per project.
- Bituminous material: 100 gallons per project.
- Paint: 20 gallons per project.

VI.9 Re-testing. Failing test results require re-testing to isolate the failed area. The Log Summary shall cross-reference the retest to the initial failed test.

## **VII. INDEPENDENT ASSURANCE PROGRAM (IAP)**

VII.1 Definition. The purpose of these procedures is to verify that Acceptance Testing is being performed correctly and reliably, and to ensure that equipment is properly calibrated.

VII.2 Applicability. IAST procedures are required for Federally funded projects on and off the NHS system. For on-NHS projects, LAPM-16.14 procedures apply. For off-NHS projects, the City will verify that the Contractor's hired consultant laboratory's QAP includes IAST procedures for "testing its own testers." IAST procedures are optional, and may be required at the discretion of the City Engineer for non-Federally funded projects.

VII.3 IAST Testers. Laboratory personnel or consultant testers shall have its own industry-standard QAP and employ personnel who are certified in all required testing procedures, by recognized materials testing organizations as approved by the City Engineer.

VII.4 Frequency of IAST. The IAST frequency shall be as specified in the consultant laboratory's QAP for each project where IAST is required.

IAP shall be performed on every type of materials test required for the project. Proficiency tests shall be performed on Sieve Analysis, Sand Equivalent, and Cleanness Value tests. All

VI.6 Test Result Reporting Guidelines. Results should be submitted to the City Inspector within 3 working days of sampling, or as dictated by the construction schedule. Results may be expedited by using fax, telephone, or e-mail.

VI.7 Summary Logs. "Material Testing Summary Logs" shall be maintained by the City Inspector for each material requiring multiple sampling and testing. Log data shall include, for example, station location, test sample depth, approximate quantity of sample materials, test result, and tester.

VI.8 Minor Quantities. Relatively minor quantities of materials from a known, reliable source may be accepted without testing if:

- a. The City Inspector performs visual examination of materials, or
- b. The manufacturer or supplier certifies that the material furnished complies with specification requirements.

Such records of acceptance shall be placed in the City Inspector's project files with related inspection notes.

Examples of maximum "minor quantities" include (from LAPM-16.14):

- Aggregates used for other than Portland Cement concrete: 100 tons per day or 500 tons per project.
- Bituminous mixtures: 50 tons per day or 500 tons per project.
- Bituminous material: 100 gallons per project.
- Paint: 20 gallons per project.

VI.9 Re-testing. Failing test results require re-testing to isolate the failed area. The Log Summary shall cross-reference the retest to the initial failed test.

**VII. INDEPENDENT ASSURANCE PROGRAM (IAP):** The Independent Assurance Program is only necessary when non-Caltrans test methods applied and/or when a non-Caltrans certified laboratory is utilized.

VII.1 Definition. The purpose of these procedures is to verify that Acceptance Testing is being performed correctly and reliably, and to ensure that equipment is properly calibrated.

**VIII. VII.2 Applicability.** IAST procedures are only necessary when non-Caltrans test methods used and/or when a non-Caltrans certified laboratory is utilized. In the event that this condition is not met, IAST procedures as described in LAPM - 16.14 will apply. The City will contract with a separate laboratory to perform IAST as needed. The City will verify that the contracted laboratory possesses its own QAP, which includes IAST procedures for "testing its own testers." IAST procedures are optional, and may be required at the discretion of the City Engineer for non-Federally funded projects.

VII.3 IAST Testers. Laboratory personnel or consultant testers shall have its own industry-standard QAP and employ personnel who are certified in all required testing procedures, by recognized materials testing organizations as approved by the City Engineer.



Item No. **8a**

Meeting Date: **June 14, 2010**

## AGENDA SUMMARY REPORT

**To:** Honorable Mayor and Council Members

**From:** John Sherman, Code Enforcement Officer

**Agenda Title:** DISCUSSION AND POSSIBLE ACTION INCLUDING ADOPTION OF RESOLUTION ESTABLISHING FUEL PRICES AT THE CITY OF WILLITS MUNICIPAL AIRPORT (ELLS FIELD) AND APPROVAL OF AGREEMENT WITH WESTERN PETROLEUM TO PROVIDE EXXON/MOBILE BRANDED FUEL AT THE AIRPORT

**Type:**  Presentation  Consent  Regular Agenda  Public Hearing  Urgent Time: 10 min.

**Summary of Request:** In March 2010, the Airport Commission, in an effort to restore the aviation community's confidence in the Ells Field fuel dispensary and provide incentive to resume purchasing 100LL Avgas at this facility, directed the Airport Manager to install the new card reader and to seek proposals from major aviation fuel suppliers for the purpose of becoming a Branded Fuel dealer at the Ells Field fuel dispensary. In preparation for this event the fuel tank was cleaned and inspected; repairs were made as required to the tank as well as the self-serve equipment.

Proposals were solicited from four major aviation fuel suppliers in this geographical region, representing suppliers of Exxon/Mobile, Chevron/Texaco, British Petroleum and Shell Oil products. After reviewing the proposals, Western Petroleum, the regional distributor for Exxon/Mobile products, was selected as the supplier with both the lowest unit cost to the City and the Branded Fuel Supplier requiring the least amount of retrofit work to our existing fuel facility.

On May 22, 2010, in order to prevent the tank from running dry and risking the buying public's loss of confidence in this facility, the tank was filled with Exxon/Mobile 100LL Avgas. Since that point, we have been selling fuel at an unprecedented rate (over 400 gallons over the July 4<sup>th</sup> week) and appear to have come a long way towards rebuilding the reputation of the Ells Field fuel dispensary. With this change, we cancelled our arrangement with Westgate, which paid the City fifteen cents, (\$.15) per gallon flow fee, and now have the ability to set our own retail price, including a profit to the City of about \$1.00 per gallon.

The next step in the progression is to enter into a minimum five (5) year contract with Western Petroleum to become an Exxon/Mobile Branded Fuel supplier. This step will tie the wholesale price of the fuel we purchase to their national fuel price index as well as binding us to a prescribed maintenance schedule and quality control procedures. With this contract, Western will supply signage, repaint the fuel tank and equipment, and provide an advertising budget to promote our facility.

**Recommended Action:** Adopt resolution establishing fuel prices at the City of Willits Municipal Airport (Ells Field) and approval of agreement with Western Petroleum to provide Exxon/Mobile branded fuel at the Airport, authorizing the Airport Manager to sign agreement on behalf of the City.

**Alternative(s):** We are selling the branded fuel without the signage and quality control requirements and the current situation seems to be working well. The branding agreement will not enable the City to make more profit on the fuel sold but may enable the City to sell more fuel resulting in higher revenue to the City.

**Fiscal Impact:** Limited impact compared to the current situation.

**Personnel Impact:** This change would require additional staff time to perform required maintenance and log procedures however most of the maintenance procedures have already been implemented. It will also require additional staff time to monitor sales, collect and submit appropriate tax payments.

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

**Council Action:**  Approved  Denied  Other: \_\_\_\_\_

**Records:**  Agreement  Resolution # \_\_\_\_\_  Ordinance # \_\_\_\_\_  Other \_\_\_\_\_

**RESOLUTION NO. 2010-**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLITS ESTABLISHING FUEL PRICES AT ELLS FIELD, THE CITY OF WILLITS MUNICIPAL AIRPORT**

WHEREAS, the City of Willits owns and operates Ells Field; and

WHEREAS, the City of Willits provides self service retail sales of 100LL aviation fuel at Ells Field; and

WHEREAS, the City of Willits staff has recommended a method of establishing the price for this aviation fuel.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Willits hereby adopts the mark-up price for self-service 100LL aviation fuel is to be set at ninety five cents (\$.95) above the total cost the City pays for the fuel. The Airport Manager shall be allowed to change these marked up prices by thirty percent (30%) higher or lower depending on the current market. If the Airport Manager perceives the need to adjust the price more than thirty percent (30%) lower, the City Manager may authorize the adjustment in writing.

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 \_\_\_\_\_ day of \_\_\_\_\_, 2010, by the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
BRUCE BURTON, Mayor  
City Council of the City of Willits

ATTEST:

\_\_\_\_\_  
ADRIENNE MOORE  
City Clerk



**WESTERN PETROLEUM COMPANY**  
**FUEL SUPPLY AGREEMENT**

**THIS AGREEMENT** is made this 15th day of June, 2010 between CITY OF WILLITS (“**Customer**”), a California Municipality and WESTERN PETROLEUM COMPANY (“**Western**”), a Minnesota corporation.

**WITNESSETH:**

**WHEREAS**, Western markets and distributes aviation fuels, and Customer is in the business of operating an aviation facility which uses aviation fuels; and

**WHEREAS**, the parties have agreed that Western will sell aviation fuels to Customer and Customer will purchase aviation fuels from Western for Five (5) years in accordance with the terms and conditions of this agreement.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants and undertakings set forth herein, Customer and Western hereby agree:

1. Pricing. The prices which Customer shall pay Western for petroleum products purchased hereunder shall be governed by Western’s posted prices on the date of lifting plus applicable federal, state, and local taxes, fees, additives, and all freight charges. Western shall have the right at any time without prior notice to Customer to change any or all such prices or the method by which Western’s prices to Customer are determined.
2. Duration and Renewal.
  - (a) Subject to earlier termination as provided herein, this agreement shall be for a term commencing on the date set forth above and continuing for a period of Five (5) consecutive years. Upon conclusion of the initial Five (5) year term, this agreement shall automatically renew for subsequent annual periods unless cancelled by either party upon at least 90 days’ notice prior to the end of the initial Five (5) year term or the anniversary of any such annual period.
  - (b) If at the end of the Five (5) year term of this Agreement Customer has not purchased the minimum 60,000 gallons of combined aviation fuel from Western, this agreement shall automatically renew for subsequent annual periods until Customer has purchased at least 60,000 gallons of combined aviation fuel from Western.
3. Quantity. During the term of this agreement, Customer agrees to purchase and procure all of Customer’s requirements for aviation fuel from Western.
4. Product and Product Standard. The products to be sold hereunder are Jet and 100LL Aviation Gasoline. 100LL aviation gasoline produced by a refinery in the United States shall meet ASTM D 910, and 100LL aviation gasoline produced by a refinery in Canada

shall meet CAN/CGSB-3.25-94. Western warrants title to the products delivered hereunder and warrants that it has the right to sell such products and that they are free from liens and adverse claims of every kind. EXCEPT AS SPECIFICALLY SET FORTH IN THIS SECTION, WESTERN MAKES NO WARRANTIES OF ANY KIND TO CUSTOMER REGARDING THE PRODUCT SOLD HEREUNDER, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

5. Terms. Payment by Customer shall be made by means of electronic funds transfer, and the terms shall be net 15 days subject to credit approval by Western. Customer shall provide such information and shall execute such authorizations as Western may from time to time request to allow Western to withdraw payments due hereunder directly from Customer's designated bank account.
6. Force Majeure. Western's failure to supply aviation fuel to Customer, and Customer's failure to purchase one hundred percent (100%) of its aviation fuel requirements from Western, shall not be deemed a breach of this agreement if the same shall arise because of any cause beyond the control of Western or Customer, as the case may be, including acts of God, acts of federal, state or local government, compliance with requests, regulations or orders of any governmental authority, fire, storm, flood, earthquake, explosion, accidents, acts of the public enemy, terrorism, war, riot, strike, lockout, or unavailability of or delays in delivery of any product which is the subject of this agreement. If any such *force majeure* interruption occurs with respect to Western's supply, Western may substitute another fuel of the same brand, a different brand, or no brand so long as such aviation fuel meets the standards set forth in Section 4 above, and/or the quantities of aviation fuel required to be supplied under this agreement shall be ratably reduced for the period during which such *force majeure* interruption may exist.
7. Liability and Insurance. Liability of Western relating to the aviation fuel sold hereunder shall cease and title and risk of loss shall pass to Customer when said product passes the flange between Western's delivery line and Customer's connection or vehicle. Notwithstanding the foregoing, nothing contained herein shall impair the parties' coverage under any applicable policy of insurance.
8. Inspection and Measurement. Customer's inspection and measurement shall be based on meters or on certified tank truck capacities according to terminal practice. All quantities shall be adjusted to 60 degrees F temperature in accordance with latest revised applicable parts of ASTM Designation D: 1250, IP Designation: 200 Petroleum Tables. The term "barrel" shall mean 42 U.S. gallons. The term "gallon" shall mean a U.S. gallon of 231 cubic inches. The term "tank truck" shall mean a transport truck with a tank storage capacity of not less than 3,000 gallons.
9. Deliveries. Deliveries shall be made at such times within the usual business hours of Western as may be required by Customer, provided that reasonable advance notice is given by Customer. Western shall prepare and furnish the receiving party with copies of bills of lading and other shipping papers. Western shall not be required to make deliveries into vehicles supplied by Customer unless they are clean and empty

immediately prior to delivery and shall not be required to load or deliver quantities less than the full capacity of the vehicle, except as otherwise authorized by Western from time to time. If deliveries are to be made into Customer's storage facilities, Customer shall provide storage facilities sufficient to enable it to receive such deliveries and shall provide Western with unimpeded and adequate ingress and egress twenty-four hours per day. Customer shall reimburse Western on demand for any demurrage or other charges incurred by Western by reason of Customer's failure to unload any delivery vehicle or release the same within the time allowed therefor without demurrage or other charge even though such failure may have arisen from causes beyond the control of Customer. All deliveries of aviation fuels shall be in full bulk transport quantities.

10. Taxes. It is agreed that when permitted Customer shall assume and be responsible to the proper governmental units for any and all federal, state and municipal taxes, excises, charges and fees now or hereafter imposed by any governmental agency or authority that may be applicable to the products purchased by Customer. In those cases in which the laws, regulations or ordinances impose upon Western the obligation to collect or pay such amounts, Customer shall pay to Western amounts equal to such governmental exactions for which Western may be liable. If Customer is entitled to purchase products free of any tax, fee, or charge, Customer shall furnish Western proper exemption certificates.
11. Conduct of Customer's Business.
  - (a) Customer represents and warrants that all information set forth in Customer's written application to become a Western customer and all other written information including financial statements submitted by Customer was at the time of submission true, accurate and complete, and did not omit any material fact necessary to make the information submitted, in light of the circumstances under which it was submitted, not misleading.
  - (b) In the performance of this agreement, Customer is engaged as an independent contractor. Customer shall conduct all operations hereunder in strict compliance with all applicable laws, ordinances and regulations of all governmental authorities, including but not limited to all rules and regulations of the Department of Transportation and all applicable franchise laws and regulations. Customer shall diligently promote the sale of the petroleum products purchased under this agreement, and shall conduct the operation of Customer's business in such a manner as to promote goodwill toward Western and its products. Customer agrees to assist in the administration of any promotional programs Western or its suppliers may establish for its customers.
12. Oil Spills. If a petroleum product spill occurs anywhere in connection with Customer's performance of this agreement, Customer shall promptly notify Western and the appropriate governmental authorities and shall take immediate action to clean up the spill and prevent further damage. Upon receipt of such notification, Western shall have the right to provide to Customer such additional manpower, equipment and material as in Western's reasonable discretion are deemed reasonable to complete the clean-up in a satisfactory manner. Customer shall pay and be responsible for all costs, expenses,

charges and judgments incurred or imposed in connection with the clean-up operations, including reimbursement to Western for all of its costs, expenses, fines and judgments.

13. Insurance.

- (a) Without in any way limiting Customer's indemnity obligations under the branding agreement or this agreement, Customer shall maintain at Customer's own expense during the term of this agreement the insurance specified below:
  - (i) Workers' Compensation and Employment Liability Insurance as prescribed by applicable law; and
  - (ii) Comprehensive Airport Insurance or Commercial General Liability (bodily injury and property damage) Insurance of not less than \$1,000,000 combined single limit per occurrence, but in the aggregate with respect to Product-Completed Operations and any one offense/aggregate with respect to Personal Injury, including, explosion hazard, personal injury, premises-operations, products and completed operations, blanket contractual and independent contractors liability coverage; and
  - (iii) Business Automobile Liability (bodily injury and property damage) Insurance of not less than \$1,000,000.00 combined single limit per occurrence, on all owned, non-owned and hired vehicles which are used by Customer; and
  - (iv) Any other insurance or surety bonding that may be required under the laws, ordinances and regulations of any governmental authority.
- (b) The insurance specified in subsection(a) of this section 13 shall require the insurer to provide Western with thirty (30) days' prior written notice of any cancellation or material change in the insurance and shall name Western and its affiliates as additional insureds. The insurance required under clause (i) of subsection (a) above shall contain a waiver of subrogation against Western and an assignment of statutory lien, if applicable.
- (c) The insurance required under subsection (a) above shall provide that it is primary coverage to insurance carried by Western. The insurance required above shall be issued by insurance companies which are reasonably acceptable to Western. The insurance companies shall have no recourse against Western, or any other additional insured, for payment of any premiums or assessments under any policy issued by a mutual insurance company. Customer shall be responsible for all deductibles in all of Customer's insurance policies. Customer shall furnish Western with certificates for all insurance coverage.
- (d) Customer's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

14. Quality Control. Customer shall maintain the quality of Western's aviation products and shall comply with any quality control procedures prescribed by Western and its supplier from time to time. In no event shall Customer permit automotive engine fuels to be sold as Western aviation fuels or dispensed through equipment bearing Western's or its suppliers' insignia. Customer shall immediately report to Western any accident or incident involving a fueled aircraft.
15. Confidential Information. Customer shall hold in confidence all manuals, guides, forms, instructions, software programs and other proprietary materials provided by Western for Customer's use in promoting and selling Western products, and all technical information, trade secrets and other confidential business information that is disclosed to Customer by Western (collectively "Confidential Information"). Customer shall not use Confidential Information for any purpose other than developing business for Western's products and services, and shall not disclose Confidential Information to anyone other than Customer's employees or agents who have a need to know Confidential Information. Customer's obligations under this section 15 shall survive termination of this agreement.
16. Default.
  - (a) In the event of a default hereunder by a party, the other party shall have all rights and remedies provided at law or in equity. No termination of this agreement, even if on account of Western's default, shall excuse Customer from paying any unpaid amounts owing for aviation fuel previously delivered hereunder or from paying other outstanding amounts due Western under this agreement. However, in no event shall either party be liable to the other party for consequential damages.
  - (b) Each party acknowledges and agrees that the other party would be irreparably damaged in the event that any of the provisions of this agreement are not performed by the other party in accordance with their specific terms. Accordingly, it is agreed that each party shall be entitled to an injunction or any other equitable remedy to prevent or terminate breaches of this agreement by the other party and shall have the right to specifically enforce this agreement and the terms and provisions hereof against the breaching party in addition to any other remedy to which the non-breaching party may be entitled at law or equity.
  - (c) In the event a default by Customer involves a failure to purchase 100% of the aviation fuel requirements from Western, which default is thereafter cured, Western may at its option without limiting any other right to remedies, extend the duration of this agreement for a period of time equal to the period during which Customer purchased aviation fuel from a vendor or supplier other than Western.
17. Termination.

- (a) Western may, in addition to its other remedies, terminate this agreement upon giving Customer twenty-five (25) days' prior written notice (or such lesser period as is reasonable in the circumstances) if any one or more of the following occurs:
  - (i) Customer breaches or defaults on any covenant, condition or other provision of this agreement or fails to pay to Western in a timely manner when due all sums to which Western is legally entitled (whether or not such sums are owed under this agreement); or
  - (ii) Customer knowingly fails to comply with federal, state or local laws and regulations (including regulations of applicable airport authorities) relevant to Customer's performance of this agreement; or
  - (iii) Willful adulteration, commingling, mislabeling or misbranding of aviation fuels or other violations by Customer of trademarks utilized by Western occur or unlawful, fraudulent or deceptive acts or practices or criminal misconduct by Customer relevant to Customer's performance of this agreement occur; or
  - (iv) Customer knowingly induces the breach by a third party of a contract between Western and the third party; or
  - (v) Customer's death, if Customer is an individual, occurs (subject to any valid requirements of any applicable statute); or
  - (vi) Customer's insolvency or bankruptcy.
- (b) If Western continues to accept orders from Customer following the expiration of the term of this agreement, such sales shall be upon all of the terms and conditions hereof except that the relationship of the parties may be terminated at will.

18. Miscellaneous

- (a) Notices. All notices to be given hereunder by either party shall be in writing and sent by first class United States mail and facsimile transmission to the other, delivered and addressed to the parties as follows:

(i) In the case of Customer to: CITY OF WILLITS  
1320 Poppy Drive  
Willits, CA 95490  
Phone: (707) 459-4601 Fax: (707) 459-  
1562

(ii) In the case of Western to: Western Petroleum Company  
Cabriole Center  
9531 West 78th Street  
Eden Prairie, Minnesota 55344  
Fax: 952-941-7470 and 541-610-1562

or at such other address or facsimile number as either party may designate to the other by written notice in the manner provided above.

- (b) Entire Agreement. This agreement, the attached branding agreement, and the security agreement of the parties constitute the entire agreement between the parties. The parties will execute and deliver a replacement branding agreement in substantially the same form if Western determines to substitute aviation fuel of a different brand so long as such aviation fuel meets the requirements and standards set forth in Section 4 above. No other promises, agreements or warranties additional to this agreement or the branding agreement shall be deemed a part hereof, nor shall any alteration or amendment of this agreement or the branding agreement be effective without the express written agreement of both parties.
- (c) Assignment; Waiver. This agreement may not be assigned by either party, either voluntarily, involuntarily, or by operation of law, without the prior written consent of the other party, which consent may not be unreasonably withheld. The waiver by either party of the breach of any provision hereof shall not constitute a waiver of any subsequent or continuing breach of such provision or provisions
- (d) Governing Law, Disputes.
- (i) This agreement shall be construed in accordance with the laws of the State of Minnesota without regard to conflict of laws provisions.
- (ii) In the event a dispute arises hereunder from the alleged breach by a party, said parties hereby agree to submit to binding arbitration to be conducted by an arbitrator that the parties shall mutually select and in the event mutual selection cannot occur, then each party shall select an arbitrator who shall then mutually select a third arbitrator so that an arbitration tribunal is empanelled to render its decision. Any arbitration proceeding initiated hereunder shall occur in Minnesota. Notwithstanding the above, arbitration shall not be available for disputes in excess of \$100,000 and for disputes to which Western's supplier is a party.

- (iii) In the event of any lawsuit or arbitration proceeding between Western and Customer arising out of or relating to the transactions or relationship contemplated by this agreement, the substantially prevailing party shall be entitled to recover its reasonable costs including its reasonable attorneys' fees.
- (iv) Customer hereby consents to the jurisdiction of any state or federal court situation in Hennepin County, Minnesota and waives any objections based on forum non conveniens with regard to any actions, claims, disputes or proceedings relating to this agreement, any related document, or any transactions arising therefrom, or enforcement and/or interpretation of any of the foregoing; provided, nothing herein shall affect a party's right to bring proceedings against the other party in the competent courts of any other jurisdiction or jurisdictions.
- (v) Customer and Western hereby jointly and severally waive any and all right to trial by jury in any action or proceeding relating to this agreement and all documents relating to this agreement, or any transaction arising herefrom or connected hereto. Customer and Western each represents to the other that this waiver is knowingly, willingly and voluntarily given.

19. Indemnification. Each party shall indemnify, defend and hold the other party and its directors, officers, employees and agents harmless from and against any and all expenses (including attorneys' fees) liabilities and claims of whatsoever kind and nature, including but not limited to those for damage to property (including property of the parties) or for injury to or death of any person (including a party), directly or indirectly arising or alleged to arise out of or in any way connected with the willful misconduct, negligence, violation of law, or breach of this agreement by the indemnifying party. The foregoing indemnity (a) shall not apply where such expense, liability or claims result from the other party's sole negligence or willful misconduct, and (b) is subject to any limitations, exclusions, conditions, and restrictions on indemnification contained in section 3 of the branding agreement.

**IN WITNESS WHEREOF**, the parties have executed this agreement which is made effective as of the date first above written.

**WESTERN PETROLEUM COMPANY**

**CITY OF WILLITS**

By: \_\_\_\_\_

D. G. Jewett  
Vice President

By: \_\_\_\_\_

Paul Cayler  
City Manager

## BRANDING AGREEMENT

June 15, 2010

### CITY OF WILLITS

Mr. John Sherman  
1320 Poppy Drive  
Willits, CA 95490

Re: ExxonMobil Oil Corporation (“Company”)

Dear Mr. John Sherman:

In connection with the fuel supply agreement between CITY OF WILLITS (“Customer”) and WESTERN PETROLEUM COMPANY (“Western”) dated June 15, 2010 (“Fuel Supply Agreement”) which provides for Customer’s purchase of aviation fuels and other petroleum products from Western for resale at Customer’s retail outlet CITY OF WILLITS at 1320 Poppy Drive in Willits, CA 95490 (“Customer’s Location”), Customer is hereby authorized to sell, at Customer’s Location, products of Company (“Company’s Products”) under the brands and signs, and under the trade names, trademarks, trade addresses, brand names, labels, insignias, symbols and imprints owned by Company or used by Company in its business and authorized by Western and Company from time to time (collectively “Company’s Marks”), subject to the following terms and conditions:

1. Company’s Marks.

- (a) As approved by Western from time to time, Customer is authorized to display, on a non-exclusive basis, Company identification and/or Company’s Marks in connection with the sale of Company’s Products at Customer’s Location solely for the purpose of designating the origin of said products. Customer is not a licensee of Company’s Marks.
- (b) Each of the following petroleum products shall be continuously stocked and offered for sale at Customer’s Location in such quantities as are necessary to meet the demand therefore: Company’s Aviation Gasoline 100LL. Customer shall cause the dispensing equipment, displays and advertisements for Company’s Products and brands to be as prominent and in as convenient positions as those for any other products offered for sale at Customer’s Location.
- (c) If there shall be posted, mounted, or otherwise displayed on or in connection with Customer or Customer’s Location any sign, poster, placard, plate, device or form of advertising matter, whether or not received from Western, consisting in whole or in part of the name of Company or any of Company’s Marks, Customer agrees that it shall at all times display same properly in accordance with Company’s requirements, and all such signage or identification will be obtained by Customer

at Customer's expense only from Western approved sources. Customer shall discontinue the posting, mounting, or display of same immediately upon Customer's ceasing to sell Company's Products or in any event upon demand by Western, and Customer shall take no action which will diminish or dilute the value of Company's Marks.

- (d) Western desires to maintain the quality of Company's Products sold hereunder. Accordingly, Customer will not in any manner mix, commingle, adulterate, blend, dilute or otherwise change the composition of any of Company's Products purchased from Western hereunder and resold by Customer under Company's Marks unless mutually agreed by both parties pursuant to a site specific co-mingling agreement.
- (e) Customer agrees that, upon its ceasing to sell Company's Products or upon termination of this agreement, Customer shall promptly return to Western any advertising material that uses Company's Marks and shall relinquish possession of and cease use of any of Company's and/or Western's equipment which may have been leased to Customer for the purpose of advertising, storage, handling, dispensing, selling or using Company's Products purchased hereunder.
- (f) Customer agrees that Company, at its sole election, may enforce Customer's agreements and obligations as required in this agreement. Customer further agrees that Company is authorized at Company's sole discretion to commence and conduct legal proceedings in Western's name for the purpose of enforcing Customer's obligations in connection with this agreement.
- (g) If Customer offers for sale products purchased on an unbranded basis or under a brand name other than Company's, Customer shall refrain from all use of Company's Marks on or in connection with the sale of such products. Customer further agrees to protect the identity of Company's products and Company's Marks by all reasonable means that would prevent customer confusion or misinformation, including, but not limited to, compliance with any guidelines issued by Western and/or Company to prevent such confusion. In addition, Customer agrees to comply with any additional requirements of any applicable law, ordinance, or regulation regarding the labeling of petroleum products.
- (h) All signs supplied to Customer by Western advertising Company's Products or which are in the colors used by Company to identify its products or the places at which its products are sold and all rights therein are, and shall continue to be, the property of Company. No other signs shall be placed on a sign pole containing a sign advertising Company's Products. During the life of this agreement and within a reasonable period thereafter, either Company or Western may, upon notice to Customer, remove or obliterate such signs, and repaint so much of the premises as it elects, in a color or colors selected by it. If Company or Western removes or obliterates any signs or repaints any of the premises, neither Company nor Western need restore any pre-existing signs or paint schemes of the premises. Customer shall not use other signs to advertise Company's Products without Western's prior written consent. Upon termination of this agreement, Customer

shall immediately discontinue any and all use of such insignia and shall obliterate such insignia from all real or personal property utilized by Customer. Customer likewise shall obliterate such insignia from any of Customer's real or personal property before selling any such property to a third party.

2. Inspection and Measurement.

- (a) The quantity and quality of products sold hereunder shall for all purposes be deemed to be the quantity and quality set forth in Western's documents of delivery. As specified herein, Customer shall be responsible for conducting an inspection by an appropriately trained representative at Customer's sole risk and expense. Customer shall be responsible for any delay in delivery caused by the inspection and such inspection shall be noted on the associated delivery paperwork. If Customer fails to inspect Company's Products altogether or fails to inspect it in such a manner as designated herein, Customer does so at its own risk and agrees to indemnify and hold Western harmless against all consequences of such failure. Prior to Western delivering, or causing to be delivered, product to Customer's Location, Customer shall certify and confirm that its personnel are competent to inspect and handle product upon delivery in accordance with the requirements herein and any other standards required by Western and/or Company from time to time.
- (b) Any claim for defect or variance in quality or shortages of quantity in respect of the Company's Products sold hereunder shall be made, and Western shall be notified as soon as possible and given an opportunity to inspect, at the time of delivery and, in any event, no later than five days after discovery by Customer, so long as Customer could reasonably discover such defect, variance or shortage during the course of the inspection described herein. Any claims made after the five day period shall be deemed waived. Customer shall also be deemed to have waived any claim if the products which are the subject of Customer's claim have been co-mingled with other products and such co-mingling has not been approved in writing by Western. No claim of any kind, whether as to goods delivered or for non-delivery of goods, and whether or not based on negligence, shall render Western liable for any loss of profit, special, incidental, consequential, punitive or exemplary damages.
- (c) Customer shall provide and maintain storage and dispensing equipment as follows:
  - (i) To maintain the quality of Company's Products sold hereunder, Customer will, during all periods of this agreement, continuously and without interruption, furnish storage and dispensing equipment, either owned or leased by Customer, which is deemed by Western and/or Company to be suitable for receiving, storing, advertising, handling, dispensing and using of the Company's Products. Before Western makes an initial delivery to Customer, Western and/or Company shall inspect the storage and dispensing equipment at Customer's Location and will advise Customer in writing of the suitability or non-suitability of such equipment. Western

will give Customer adequate notice of such an inspection.

- (ii) Western will inspect the storage and dispensing equipment of Customer at all locations into which it makes deliveries of Company's Products on a semi-annual basis after Western and/or Company has made the initial inspection referred to above. Western shall conduct such inspection in accordance with certain standards to be provided to Western by Company. Company may, in its sole discretion, revise such standards from time to time.
  - (iii) If Western or Company, in its sole discretion, determines that any storage or dispensing equipment is not suitable to ensure product quality in accordance with this agreement, regardless of whether that equipment is owned or leased by Customer, Western may refrain from or otherwise cease making deliveries of Company's Products to Customer until Western is satisfied that the subject equipment has been made suitable for the storage and handling of products sold hereunder. In the event Company determines that Customer's equipment is not suitable for ensuring product quality, then Western, at the written request of Customer, will furnish Customer a copy of the written notice of non-suitability; provided, however, Customer shall be responsible for ensuring that it maintains suitable equipment and Western shall have no obligation to Customer in the event Customer's equipment is deemed not suitable by Company or Western.
- (d) In furtherance of Customer's obligations, Customer shall perform, or cause to be performed, the procedures set forth in this section 2 to ensure the maintenance of the quality of the Company's Products sold to Customer hereunder. Customer further agrees that it will (i) comply with such product quality procedures in connection with the handling, storage and reselling of Company's Products under Company's Marks; (ii) permit Company and/or Western to inspect Customer's facilities and equipment at any time during this agreement; and (iii) notify Western immediately in the event Customer fails to comply with any of the product quality procedures set forth in this section 2. Customer shall have a representative present at Customer's Location at the time of delivery to Customer who will visually inspect Company's Products to ensure that the product received is clear, bright, and free from sediment or other foreign materials and is of the proper and unadulterated color and that it is received into the proper storage or dispenser for each grade of product and that the storage or dispenser is properly marked for that grade of product. For each delivery Customer shall sign a delivery control log. If Customer fails to have a representative present at the time of delivery at Customer's delivery location, no delivery will be made.
- (e) Customer shall perform the following procedures after Customer has taken delivery of Company's Products from Western:
- (i) Immediately after each receipt of fuel into Customer's storage tanks, allow

tank contents to settle at least one hour per foot of liquid height for turbine fuel and fifteen (15) minutes per foot of liquid height for aviation gasoline, and withdraw any water from storage before withdrawing fuel from storage.

- (ii) Daily, and immediately after each inclement weather occurrence, visually inspect fuel at the dispensing point to ensure that the product is clear, bright, and free from sediment or other foreign materials and is of the proper and unadulterated color. Clean clear bottles and/or white porcelain containers shall be used for this procedure.
- (iii) At all times, keep all hatches and openings secured against intentional or accidental inducement of adulterating substances and keep dispensing nozzle dust covers in proper position when not in use.
- (iv) Daily, immediately after each receipt of fuel into storage and immediately after each inclement weather occurrence, manually drain accumulated moisture and sediment from all tankage, filter, or other collection sumps or points.
- (v) Monthly, operate automatic drain devices (if any) to ensure proper operating condition.
- (vi) Prior to and during each delivery of fuel to Customer and each dispensing of fuel when atmospheric temperatures are below 40 degrees F., check all sump heaters (if any) for proper functioning.
- (vii) Observe filter pressure drop during each delivery of fuel to ensure that neither abnormally high nor low readings occur, and take remedial steps if any such abnormal readings do occur.
- (viii) Remove and clean all screens on pumps, lines and dispensing nozzles weekly and when significant accumulations of debris and sediment are noted.
- (ix) Notify Western of any observation of Company's Products or system checks that indicate product quality is not being maintained and cease using equipment and dispensing product until such condition is corrected.
- (x) Perform daily, monthly, quarterly, semi-annual and annual inspections of fixed and mobile fueling equipment in accordance with ATA 103 fueling vehicle and fixed fueling equipment check forms or in accordance with a similar inspection program as agreed to in writing by Western. Maintain a file of completed and executed ATA 103 forms for fueling vehicles and fixed fueling equipment (or mutually agreeable alternative but equivalent forms) for a minimum of four (4) years in accordance with applicable laws and regulations.

- (f) Customer shall purchase Company's Products from Western on a regular basis to ensure product quality. Customer shall purchase Company branded Turbine Fuel Jet A at a frequency of no more than 180 calendar days between deliveries, and Customer shall purchase Aviation Gasoline at a frequency of no more than 180 calendar days between deliveries. Should Customer exceed either the 180 day Turbine Fuel Jet A frequency or the 180 day Aviation Gasoline delivery frequency, then Customer at its sole expense shall be responsible for obtaining a representative one gallon sample of the aged product within 5 business days. Customer shall arrange for transportation of the sample(s) to a Company approved laboratory to verify compliance with specific quality tests in accordance with the latest revisions of ASTM D-1655 (for Turbine Fuel Jet A) or ASTM D-910 (for Aviation Gasoline). Upon notification by the lab of any failed test results, Customer shall immediately cease dispensing product to third parties and contact Western. Customer shall provide Western with results of all quality assurance tests within 10 business days of sampling. If Western and/or Company agrees that the results of the quality assurance tests meet ASTM specifications then Customer may continue to dispense product. Re-testing of aged product is to continue every 60 calendar days until Customer purchases a fresh transport load of product from Western of Company branded fuel. If the results of any quality assurance test do not meet ASTM specifications, then Customer agrees to cease the dispensing of the aged product. Customer shall be responsible for the removal and proper disposal of any product that does not meet ASTM specifications. With written approval from Western and/or Company, Customer may purchase additional product to mix with the aged, marginally off spec product and repeat the quality assurance tests. If Customer fails to conduct quality assurance tests on aged product at the specified frequency or if Customer fails to cease the dispensing of aged product which does not meet ASTM specifications, then Western may at its option cancel and terminate this agreement.
- (g) Western and/or Company is hereby given the right to examine at any time and from time to time, the contents of Customer's tanks, containers and equipment in which Company's Products purchased hereunder are advertised, stored, handled, dispensed, sold or used and to take samples therefrom. Customer shall provide to Western and/or Company suitable evidence of such right of Company and/or Western (i) to examine at any time and from time to time as deemed necessary by Western, to ensure compliance with the provisions in this agreement, the contents of Customer's tanks, containers and equipment in which Company's Products sold to Customer hereunder are advertised, stored, handled, dispensed, sold or used by Customer under Company's Marks, and (ii) to take samples therefrom. If in the opinion of Western and/or Company (i) any samples taken from Customer are not products originally delivered from Western to Customer hereunder, or (ii) otherwise are not in the condition in which delivered from Western to Customer, then Western and/or Company, at its sole option, may revoke

trademark authorization for Customer's Location and Customer shall cease dispensing product to third parties.

- (h) In order to maintain the quality of the Company's Products sold by Customer, Customer shall comply fully with all quality control guides and such other guides and such procedures as may be prescribed by Company or Western from time to time regarding the handling of aviation fuels. Customer shall immediately report to Western and Company any accident or unusual incident involving a fueled aircraft.

3. Indemnity and Reimbursement for Liabilities.

- (a) To the extent Customer has incurred liability described under the following indemnity and as a result has paid or is obligated to pay sums in respect of third party liabilities, Western, in relation to Company's Products only, shall reimburse the Customer as follows:

- (i) Product Quality: Liability for bodily injury or death or for loss of or damage to property resulting from an aircraft accident caused directly by the adverse product quality of aviation fuels purchased under the terms and conditions of this agreement and the Fuel Supply Agreement;
- (ii) Aircraft Fueling: Liability for bodily injury or death or for loss of or damage to property arising out of Customer's on-airport operations as an authorized aviation fuels dealer for Company, but only during aircraft fueling while using aviation fuels purchased under the terms and conditions of this agreement and the Fuel Supply Agreement. Aircraft fueling is defined as commencing upon insertion/connection of the fueling nozzle and terminating upon removal/disconnection of the fueling nozzle.

- (b) The following are the limits of reimbursement:

- (i) Agent: In circumstances where Customer, as an authorized Company aviation dealer for Company, is conducting on-airport operations required to fuel aircraft (as described above) on behalf of Company for its approved airline customers and for which operations Company pays Customer an into-plane service fee, the maximum level of reimbursement shall be \$75,000,000 for bodily injury and property damage (combined) per occurrence.
- (ii) Dealer: In circumstances where Customer, as an authorized Company aviation dealer, is conducting on-airport aircraft fueling operations (as described above), and reselling for its own account and for its on-airport aircraft fueling operations (as described above) for which the airline or aircraft operator pays the Customer an applicable into-plane service fee, the maximum level of reimbursement shall be \$20,000,000 for bodily injury and property damage (combined) per occurrence.

- (c) Western's obligation to pay Customer hereunder shall only apply in the event that Customer's claims, expenses, and/or liabilities covered by the indemnity in this section are in excess of \$1,000,000. This indemnity will not provide protection for liabilities up to \$1,000,000 per occurrence. Customer must rely on its own insurance coverage for amounts less than \$1,000,000. If a loss is excluded or otherwise denied by Customer's insurer or by Western's insurer for any reason, Customer is ineligible for any reimbursement under this section. Western shall not have any obligation to pay and this indemnity shall not operate in the event that Customer does not have the insurance coverage referred to in the Fuel Supply Agreement.
- (d) This indemnity specifically excludes the following:
- (i) liability for claims related to or arising out of pollution of the environment, including, but not limited to any damages caused by spills or leakages of petroleum products into or upon soil, water, or air;
  - (ii) liability for claims caused by or arising out of, directly or indirectly, the negligence or willful misconduct of the Customer or its officers, directors, employees, agents, customers and/or independent contractors;
  - (iii) liability for claims related to or arising out of acts of war and/or terrorism; and
  - (iv) liability for claims caused by a breach of this agreement, the Fuel Supply Agreement, or any equipment lease executed by Customer.
- (e) Subject to the limitations and exclusions contained in this section, Western and Customer shall indemnify, defend, and hold each other harmless from claims, demands, and causes of action asserted against the indemnitee (including reasonable attorney's fees) by any person including, without limitation, Customer's and Western's employees, for personal injury or death or for loss of or damage to property and resulting from the indemnitor's active or passive negligence or willful misconduct, or from a violation of law or a breach of this agreement by the indemnitor. Where personal injury, death, or loss of or damage to property is the result of the joint active or passive negligence or willful misconduct of Western and Customer, the indemnitor's duty of indemnification shall be in proportion to its allocable share of joint active or passive negligence or willful misconduct. If Western and/or Company is strictly liable under law, Customer's duty of indemnification shall be in the same proportion that the active or passive negligent acts or omissions or willful misconduct of Customer contributed to the personal injury, death, or loss of or damage to property for which Western and/or Company is strictly liable. Further, Customer shall indemnify and hold Western, its successors and assigns, harmless against all losses, claims, causes of action and liabilities on account of damage to property or injury to or death of persons arising out of Customer's failure to comply with any

of the requirements set forth in the Fuel Supply Agreement and any other provisions of this agreement, and such failure by Customer shall entitle Western to cancel this agreement immediately. Customer understands and hereby acknowledges that, but for the agreement of indemnity set forth in this Section 3, Western would not have agreed to sell to Customer the Company's Products described herein and in the Fuel Supply Agreement.

- (f) Notwithstanding anything to the contrary contained herein, Western shall have no duty of indemnity to the Customer to the extent that Company or Western's insurer has not paid or is not obligated to pay to Western those amounts which are to be paid by Western to customer under this section 3.
4. Term: This agreement shall have the same term as the Fuel Supply Agreement and shall terminate when the Fuel Supply Agreement terminates, except that:
- (a) if Customer fails to comply with the requirements of this agreement, Western shall have the right to cease delivery of Company's Products to Customer and terminate this agreement; and
  - (b) if a new branding agreement is substituted for this branding agreement pursuant to the terms of the Fuel Supply Agreement, this agreement shall terminate.
5. Miscellaneous. The terms and provisions of the section of the Fuel Supply Agreement entitled "Miscellaneous" also shall apply to this agreement.

If you are in agreement with the foregoing, please execute and return a copy of this Branding Agreement.

Very truly yours,

WESTERN PETROLEUM COMPANY

By: \_\_\_\_\_  
D. G. Jewett  
Vice President

-----

The undersigned agrees to the above terms and conditions this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

CITY OF WILLITS

By: \_\_\_\_\_  
Paul Cayler  
City Manager



## WESTERN PETROLEUM COMPANY

### SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of June 15th, 2010, is made between **CITY OF WILLITS**, a Municipality organized under the laws of California and located at 1320 Poppy Drive in Willits, CA 95490 (the “Debtor”), and **WESTERN PETROLEUM COMPANY** located at Cabriole Center, 9531 West 78<sup>th</sup> Street, Eden Prairie, MN 55344 (“Secured Party”).

WHEREAS, Secured Party has agreed to make loans and extend financing to Debtor; and

WHEREAS, it is a condition precedent to Secured Party’s making any loans to Debtor that Debtor execute and deliver to Secured Party a security agreement in substantially the form hereof; and

WHEREAS, Debtor wishes to grant security interests in favor of Secured Party as herein provided;

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**1. Definitions.** All terms defined in the Uniform Commercial Code of the State of Minnesota (the “UCC”) and used herein shall have the same meanings as specified in the UCC. The term “Obligations,” as used herein, means all of the indebtedness, obligations and liabilities of Debtor to Secured Party, individually or collectively, whether direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising under or in respect of the Fuel Supply Agreement dated June 15th, 2010, between Debtor and Secured Party, and any other instruments or agreements executed and delivered pursuant thereto or in connection therewith or this Agreement. The term “Event of Default”, as used herein, means the failure of Debtor to pay or perform any of the Obligations as and when due to be paid or performed and any Event of Default as defined or described in any note or other agreement evidencing any of the Obligations.

**2. Grant of Security Interest.** Debtor hereby grants to Secured Party, to secure the payment and performance in full of all of the Obligations, a security interest in the following properties, assets and rights of Debtor, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (all of the same being hereinafter called the “Collateral”): all Jet Fuel, Aviation Gasoline, and other products and inventory sold to Debtor by Secured Party; all signs, imprinters, and quality control equipment; together with all other property associated therewith and any accessions thereto; and all insurance claims and proceeds, tort claims, software, engineering drawings, service marks, and

all licenses, permits and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics relating to any of the foregoing.

**3. Authorization to File Financing Statements.** Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) describe the Collateral, and (b) contain any other information required by Article 9 of the UCC. Debtor agrees to furnish any such information to Secured Party promptly upon request. Debtor also ratifies its authorization for Secured Party to have filed in any Uniform Commercial Code jurisdiction any financing statements or amendments thereto if filed prior to the date hereof.

**4. Other Actions.** To further insure the attachment, perfection and first priority of, and the ability of Secured Party to enforce, Secured Party's security interest in the Collateral, Debtor agrees, in each case at Debtor's own expense, to take the following actions with respect to the following Collateral:

**4.1. Collateral in the Possession of a Bailee.** If any goods are at any time in the possession of a bailee, Debtor shall promptly notify Secured Party thereof and, if requested by Secured Party, shall promptly obtain an acknowledgment from the bailee, in form and substance satisfactory to Secured Party, that the bailee holds such Collateral for the benefit of Secured Party and shall act upon the instructions of Secured Party, without the further consent of Debtor. Secured Party agrees with Debtor that Secured Party shall not give any such instructions unless an Event of Default has occurred and is continuing or would occur after taking into account any action by Debtor with respect to the bailee.

**4.2 Other Actions as to any and all Collateral.** Debtor further agrees to take any other action reasonably requested by Secured Party to insure the attachment, perfection and first priority of, and the ability of Secured Party to enforce, Secured Party's security interest in any and all of the Collateral.

**5. Representations and Warranties Concerning Debtor's Legal Status.** Debtor represents and warrants to Secured Party as follows: (a) Debtor's exact legal name is stated on the first page of this Agreement, (b) Debtor is an organization of the type and organized in the jurisdiction set forth on the first page of this Agreement, and (c) Debtor's place(s) of business, its chief executive office, and its mailing address are set forth on Schedule 1 to this Agreement.

**6. Covenants Concerning Debtor's Legal Status.** Debtor covenants with Secured Party as follows: (a) without providing at least 30 days prior written notice to Secured Party, Debtor will not change its name, its place of business or, if more than one place of business, its chief executive office, or its mailing address or organizational identification number if it has one, (b) if Debtor does not have an organizational identification number and later obtains one, Debtor shall forthwith notify Secured Party of such organizational identification number, and (c) Debtor will not change its type of organization, jurisdiction of organization or other legal structure.

7. **Representations and Warranties Concerning Collateral.** Debtor further represents and warrants to Secured Party that Debtor is the owner of the Collateral, free from any adverse lien, security interest or other encumbrance, except for the security interest created by this Agreement.

8. **Covenants Concerning Collateral.** Debtor further covenants with Secured Party as follows: (a) the Collateral will be kept at those locations listed on Schedule 1, and Debtor will not remove the Collateral from such locations, without providing at least 30 days prior written notice to Secured Party, (b) except for the security interest herein granted, Debtor shall be the owner of the Collateral free from any lien, security interest or other encumbrance, and Debtor shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein adverse to Secured Party, (c) Debtor shall not pledge, mortgage or create, or suffer to exist a security interest in the Collateral in favor of any person other than Secured Party, (d) Debtor will keep the Collateral in good order and repair and will not use the same in violation of law or any policy of insurance thereon, (e) Debtor will permit Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located, (f) Debtor will pay promptly when due all taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with the use or operation of such Collateral or incurred in connection with this Agreement, (g) Debtor will continue to operate its business in compliance with all applicable provisions of federal, state and local statutes and ordinances, and (h) Debtor will not sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein.

9. **Insurance.** Debtor will maintain with financially sound and reputable insurers insurance with respect to its properties and business against such casualties and contingencies as shall be in accordance with general practices of businesses engaged in similar activities in similar geographic areas. Such insurance shall be in such minimum amounts that Debtor will not be deemed a co-insurer under applicable insurance laws, regulations and policies and otherwise shall be in such amounts, contain such terms, be payable to Secured Party as loss payee (or in the case of liability insurance list Secured Party as an additional insured), be in such forms and be for such periods as may be reasonably satisfactory to Secured Party. All policies of insurance shall provide for at least 30 days prior written cancellation notice to Secured Party. In the event of failure by Debtor to provide and maintain insurance as herein provided, Secured Party may, at its option, provide such insurance and charge the amount thereof to Debtor. Debtor shall furnish Secured Party with certificates of insurance and policies evidencing compliance with the foregoing insurance provision.

10. **Collateral Protection Expenses; Preservation of Collateral.**

10.1. **Expenses Incurred by Lender.** In its discretion, Secured Party may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral, make repairs thereto and pay any necessary filing fees or, if Debtor fails to do so, insurance premiums. Debtor agrees to reimburse Secured Party on demand for any and all expenditures so made. Secured Party shall have no obligation to Debtor to make any such expenditures, nor shall the making thereof relieve Debtor of any default.

**10.2. Lender's Obligations and Duties.** Anything herein to the contrary notwithstanding, Debtor shall remain liable under each contract or agreement comprised in the Collateral to be observed or performed by Debtor thereunder. Secured Party shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by Secured Party of any payment relating to any of the Collateral, nor shall Secured Party be obligated in any manner to perform any of the obligations of Debtor under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by Secured Party in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement. Secured Party shall not have any obligation to present or file any claim or to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to Secured Party or to which Secured Party may be entitled at any time or times. Secured Party's sole duty with respect to the custody, safe keeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with such Collateral in the same manner as Secured Party deals with similar property for its own account.

**11. Power of Attorney.** Debtor hereby irrevocably constitutes and appoints Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Debtor or in Secured Party's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement, including without limitation the filing of financing statements with respect hereto, with or without Debtor's signature, or a photocopy of this Agreement in substitution for a financing statement, as Secured Party may deem appropriate and to execute in Debtor's name such financing statements and amendments thereto and continuation statements which may require Debtor's signature. This power of attorney is a power coupled with an interest and shall be irrevocable. The powers conferred on Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers.

**12. Remedies.** If an Event of Default shall have occurred and be continuing, Secured Party may, without notice to or demand upon Debtor, declare this Agreement to be in default, and Secured Party shall thereafter have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the UCC or of any jurisdiction in which the Collateral is located, including, without limitation, the right to padlock the Collateral and prevent access by Debtor to the Collateral and to Debtor's use of the Collateral and the right to take possession of the Collateral, and for that purpose Secured Party may, so far as Debtor can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. Secured Party may in its discretion require Debtor to assemble all or any part of the Collateral at such location or locations within the jurisdictions of Debtor's principal office(s) or at such other locations as Secured Party may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give to Debtor at least ten business days prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. Debtor hereby acknowledges that ten business days prior written

notice of such sale or sales shall be reasonable notice. In addition, Debtor waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of Secured Party's rights hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights with respect thereto.

**13. No Waiver by Lender.** Secured Party shall not be deemed to have waived any of its rights hereunder unless such waiver shall be in writing and signed by Secured Party. No delay or omission on the part of Secured Party in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a waiver of any right on any future occasion. All rights and remedies of Secured Party with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as Secured Party deems expedient.

**14. Proceeds of Dispositions; Expenses.** Debtor shall pay to Secured Party on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by Secured Party in protecting, preserving or enforcing Secured Party's rights under or in respect of any of the Obligations or any of the Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale of the Obligations or Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as Secured Party may determine, proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Sections 9-608(a)(1)(C) or 9-615(a)(3) of the UCC, any excess shall be returned to Debtor, and Debtor shall remain liable for any deficiency in the payment of the Obligations.

**15. Overdue Amounts.** Until paid, all amounts due and payable by Debtor hereunder shall be a debt secured by the Collateral and shall bear, whether before or after judgment, interest at the rate of interest set forth in the Obligations of Debtor.

**16. Governing Law; Consent to Jurisdiction.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF MINNESOTA. Debtor agrees that any suit for the enforcement of this Agreement may be brought in state or federal courts sitting in Hennepin County, Minnesota and consents to the non-exclusive jurisdiction of such courts. Debtor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

**17. Waiver of Jury Trial.** THE PARTIES WAIVE THEIR RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS.

**18. Miscellaneous.** The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon Debtor and its respective successors and

assigns, and shall inure to the benefit of Secured Party and its successors and assigns. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. Debtor acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF, intending to be legally bound, Debtor has caused this Agreement to be duly executed as of the date first above written.

**CITY OF WILLITS**

By: \_\_\_\_\_  
Paul Cayler  
City Manager

**WESTERN PETROLEUM COMPANY**

By: \_\_\_\_\_  
D. G. Jewett  
Vice President

**Schedule 1 to  
Security Agreement**

Western Petroleum Company, Secured Party

CITY OF WILLITS, Debtor

Debtor's Locations  
1320 Poppy Drive  
Willits, CA 95490

Place(s) of Business  
CITY OF WILLITS  
1320 Poppy Drive  
Willits, CA 95490

Chief Executive Office and Mailing Address  
CITY OF WILLITS  
1320 Poppy Drive  
Willits, CA 95490

Collateral Locations

CITY OF WILLITS  
Ells Field  
1320 Poppy Drive  
Willits, CA 95490



Item No. **8b**

Meeting Date: **July 14, 2010**

### AGENDA SUMMARY REPORT

**To:** Honorable Mayor and Council Members

**From:** Paul Cayler, City Manager

**Agenda Title:** DISCUSSION AND POSSIBLE ACTION REGARDING PROPOSED CHANGE IN HOURS OF OPERATION FOR CITY HALL AND THE PUBLIC WORKS AND ENGINEERING OFFICE

**Type**  Presentation  Consent  Regular Agenda  Public Hearing  Urgent Time: 10 min.

**Summary of Request:** In an effort to maximize efficiency for the City's office staff, the City proposes to change public service hours of operation for City Hall and the Public Works and Engineering Offices. City office staff is currently faced with an increasing range of responsibilities that involve detail-oriented work while fielding frequent interruptions from foot traffic and phone calls. While inefficient, it is necessary for our staff to multi-task. The proposed change in office hours is aimed at streamlining work time to increase efficiency.

City Hall proposes changing business hours for public transactions to 9:00 a.m. to 5:00 p.m. This would offer City Hall Staff an hour each morning to perform detail-oriented tasks without interruption. There is a drop box in front of City Hall for customers wishing to pay their bills prior to 9:00 a.m. The Public Works and Engineering Offices propose changing the hours open to the public to 8:00 a.m. to 4:30 p.m. This would make office hours more consistent with the Public Works, Sewer, and Water crews, which currently work a 7:30 a.m. to 4:00 p.m. shift, with a half-hour lunch break. The bulk of public foot traffic and phone calls in the office occur from the morning to mid-day. Foot traffic and phone calls generally diminish during the latter part of the day. The change in the hours of operation would allow staff the option to take shorter lunch breaks to ensure there is sufficient staff coverage during the middle part of the day.

**Recommended Action:** Adopt the new hours of operation for City Hall and the Public Works and Engineering Offices.

**Alternative(s):** Do not approve the change in the hours of operation.

**Fiscal Impact:** If this change is adopted, there will be an increase in work efficiency which, although, difficult to measure, will have an impact on the fiscal health of the City.

**Personnel Impact:** This change would increase flexibility and efficiency for the City's office staff.

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

**Council Action:**  Approved  Denied  Other: \_\_\_\_\_

**Records:**  Agreement  Resolution # \_\_\_\_\_  Ordinance # \_\_\_\_\_  Other \_\_\_\_\_



Item No. **8c**

Meeting Date: **July 14, 2010**

### AGENDA SUMMARY REPORT

**To:** Honorable Mayor and Council Members

**From:** Paul Cayler, City Manager

**Agenda Title:** DISCUSSION AND POSSIBLE APPROVAL OF CONSOLIDATED RESPONSES FROM THE WILLITS CITY COUNCIL AND WILLITS POLICE CHIEF TO MENDOCINO COUNTY GRAND JURY REGARDING REPORT TITLED "WORKING IN THE RAIN, A PUBLIC FACILITY AT RISK – A REPORT ON THE WILLITS POLICE DEPARTMENT"

**Type:**  Presentation  Consent  Regular Agenda  Public Hearing  Urgent Time: 10 min.

**Summary of Request:** On June 14, 2010, the Mendocino County Grand Jury published a report titled: "Working in the Rain, a Public Facility at Risk – A Report on the Willits Police Department". Per the California Penal Code, the City must respond to the Grand Jury's findings and recommendations by the deadline of July 14, 2010. A consolidated response has been prepared for the City Council consideration. The consolidated response includes Willits City Council and Willits Police Chief's responses, which are the same. This is done in order to streamline the process so that only one set of responses is submitted to the Grand Jury. In terms of the Grand Jury's findings, the City Council must respond that the Council either agrees with the findings, or wholly or partially disagrees with the findings. In terms of the Grand Jury recommendations, there are four options for Council response: 1) Recommendation has been implemented; 2) Recommendation has not yet been implemented, but will be in the future (with a timeframe stated); 3) Recommendation requires further analysis with an explanation (timeframe cannot exceed 6 months); and 4) Recommendation will not be implemented because it is not warranted (explanation must be provided). Please find attached a copy of the aforementioned Grand Jury Report with proper forms and explanations prepared for the City Council consideration and possible approval.

**Recommended Action:** The City Manager recommends that the City Council approve the attached Grand Jury Report Response Forms and required explanations, and authorizes the City Manager and Police Chief to sign the forms.

**Alternative(s):** Modify the attached forms and explanations.

**Fiscal Impact:** None.

**Personnel Impact:** None.

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

**Council Action:**  Approved  Denied  Other: \_\_\_\_\_

**Records:**  Agreement  Resolution # \_\_\_\_\_  Ordinance # \_\_\_\_\_  Other \_\_\_\_\_

County of Mendocino  
Grand Jury  
www.co.mendocino.ca.us/grandjury

Post Office Box 939  
Ukiah, CA 95482  
grandjury@co.mendocino.ca.us

**Grand Jury Report Transmittal  
(with Instructions and Response Form for Required Respondents)**

Paul Cayler  
City Manager  
111 E. Commercial Street  
Willits, CA 95490

**Date: 6/14/2010**

**RE: Report Titled: *Working in the Rain, a Public Facility at Risk – A Report on the Willits Police Department***

**Dated: 6/14/2010**

Your response to the attached report by the 2009/2010 Mendocino County Civil Grand Jury is required pursuant to Penal Code §933.05 (enclosed). Penal Code §933.05 also requires that your response to the Findings and Recommendations contained in the report be in writing and be submitted within **60 days for individual responses from elected county officers or agency head** or within **90 days for governing bodies** (including such entities as school boards, city councils and the Board of Supervisors).

Penal Code §933.05(f) specifically prohibits disclosure of the contents of this report by a public agency or its officers or governing body prior to the release to the public. The report will be released to the public and posted on the grand jury website two (2) or more days after the date of this letter.

The Penal Code is specific as to the format of responses. Complete and sign the enclosed Response Form and attach any additional comments as required.

Should you have any questions after reviewing the enclosures, please contact me at **grandjury@co.mendocino.ca.us** or at the address above.

Sincerely,

Katharine Wylie  
Foreperson  
Mendocino County Grand Jury

## For Your Information

### SUMMARY OF PENAL CODE 933.05

Penal Code § 933.05 provides for only two (2) acceptable responses with which agencies and/or departments (respondents) may respond with respect to the **findings** of a Grand Jury report :

1. The respondent agrees with the finding.
2. The respondent disagrees wholly or partially with the findings, *in which case the respondent shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.*

Penal Code § 933.05 provides for only four (4) acceptable responses with which agencies and/or departments (respondents) may respond with in respect to the **recommendations** of the Grand Jury.

1. The recommendation has been implemented, with a summary regarding the implemented action.
2. The recommendation has not yet been implemented, but will be in the future, with a timeframe for implementation.
3. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis, with a timeframe for the matter to be prepared for discussion by the officer or head of the agency/department being investigated or reviewed, including the governing body of the public agency when applicable. ***This timeframe shall not exceed six (6) months from the date of publication of the Grand Jury Report.***
4. The recommendation will not be implemented because it is not warranted or is not reasonable, with a detailed explanation therefore.

However, If a finding and/or recommendation of the Grand Jury addresses **budgetary** or **personnel** matters of a county agency/department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address **all** aspects of the findings or recommendations affecting his or her agency/department.

**Grand Jury Report  
RESPONSE FORM**

**RE: Report Titled: *Working in the Rain, a Public Facility at Risk – A Report on the Willits Police Department***

***Report Dated: 6/14/10***

---

***Response Form Submitted By:***

Paul Cayler  
City Manager  
111 E. Commercial Street  
Willits, CA 95490

Gerardo Gonzalez  
Police Chief  
125 E. Commercial, Suite 150  
Willits, CA 95490

***Response MUST be submitted, per Penal Code §933.05, no later than: 8/14/2010***

***I have reviewed the report and submit my responses to the FINDINGS portion of the report as follows:***

- I (we) agree with the Findings numbered:  
\_\_\_\_\_ 2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17 \_\_\_\_\_
- I (we) disagree wholly or partially with the Findings numbered below, and have **attached, as required**, a statement specifying any portion of the Finding that are disputed with an explanation of the reasons therefore.  
\_\_\_\_\_ 1 \_\_\_\_\_

***I have reviewed the report and submit my responses to the RECOMMENDATIONS portion of the report as follows:***

- The following Recommendation(s) have \_\_\_\_\_ have been implemented and **attached, as required**, is a summary describing the implemented actions:  
\_\_\_\_\_
- The following Recommendation(s) have not yet been implemented, but will be implemented in the future, **attached, as required** is a time frame for implementation:  
\_\_\_\_\_



Printed Name: Gerardo Gonzalez

Title: Willits City Police Chief

Signed: \_\_\_\_\_

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



Item No. **9b**

Meeting Date: **July 14, 2010**

## AGENDA SUMMARY REPORT

**To:** Honorable Mayor and Council Members

**From:** Alan Falleri, Community Development Director

**Agenda Title:** ADOPTION OF RESOLUTION INDICATING CONTINUED SUPPORT FOR THE HEALTHY CITIES CONCEPT, FOR CONTINUING PARTICIPATING IN THE CALIFORNIA HEALTHY CITIES AND COMMUNITIES PROGRAM, AND AUTHORIZING THE CITY MANAGER TO SUBMIT A GRANT APPLICATION TO THE CALIFORNIA HEALTHY CITIES AND COMMUNITIES, CENTER FOR CIVIC PARTNERSHIPS FOR FUNDING IN THE AMOUNT OF \$20,000 TO ASSIST IN DEVELOPING A PROGRAM TO PROVIDE ACCESS TO HEALTHIER FOOD FOR WILLITS CHILDREN AND YOUTH

**Type:**  Presentation  Consent  Regular Agenda  Public Hearing  Urgent Time: 5 min.

**Summary of Request:** The City has been recognized by the Center for Civic Partnerships to as a California Healthy City and, as a benefit for participating in the CHCC program, the City is eligible to apply for three years of grant funding (\$20,000 per year) to assist in completing projects that further the goals of the CHCC Program. A grant from the Center for FY 2008/2009 enabled the City to complete the City of Willits Bicycle & Pedestrian Plan. Thanks to a "Phase II" grant in FY 2009/2010, the City is nearing completion of a Main Street Safety Improvement Project. The application for the third and final phase of the program is now due. The grant application requires a resolution of the City Council supporting this project.

After discussion by our steering committee and some valuable and much appreciated guidance from the Program Coordinator, Nicole Hara, at CHCC, I am proposing to apply for the grant funds to assist in completing a project entitled "Access to Healthier Food for Willits Children and Youth."

The City of Willits has been a strong partner with local schools and nonprofits to improve our community's food security, working on increasing local food production, improving the quality and variety of locally produced foods, and increasing access to locally grown foods, especially for school children and low-income families and individuals. Through the high school farm, Willits High School is strengthening its Future Farmers of America program and has begun selling food animals (chickens and rabbits) and produce in the community and at the local farmers market. Brookside School Farm, located at Brookside Elementary School, is also continuing to expand and develop. However, although the food production infrastructure is now in place in these locations, efforts to incorporate fruits and vegetables produced by the farms into school meals and snacks have encountered numerous barriers. The school district's food service staff are supportive of making changes, but need help resolving these challenges:

- Food service staff has not been trained to make the best use of fresh local produce.
- Food service staff lack the time to process produce that comes straight from harvest.
- Farm Managers lack information on school produce needs.

The project has the full support of Willits Unified School District (WUSD), and City staff is confident that the structure and procedures developed during the year will be adopted by the district and will result in improved nutrition and better health for the children and youth of Willits.

The overall goal of the Phase III CHCC project is to increase and institutionalize the use of fresh local produce in the meals that schools provide to Willits students. The City of Willits will contract with North Coast Opportunities (NCO) or a similar nonprofit organization to coordinate the proposed activities. Specific objectives and activities include the following:

**OBJECTIVE 1. By Month 12, food service staff will have the needed skills, knowledge, and tools to incorporate increasing amounts of fresh local produce into school meals.**

- The City of Willits will negotiate a contract with NCO to coordinate project activities.
- NCO will contract with a professional chef or other local expert to deliver trainings for food service staff to increase their skills and knowledge related to utilizing fresh produce. Food service workers will learn best practice strategies for incorporating fresh produce into nutritionally balanced school snacks and meals including: menu planning, use of raw foods, pairing fruits and vegetables, on-site prepping of fresh produce, etc. Training will be scheduled on weekends or other time that is convenient for food service staff. The contracted instructor will rely on existing training materials, likely selecting the curriculum developed for Berkeley schools by Berkeley chef Alice Waters.

**OBJECTIVE 2. By Month 12, Willits schools will purchase 10% of the produce used in school meals from local sources.**

- NCO staff will work with WUSD local farmers, and school food service staff to develop comprehensive produce plans that meet school food services needs. These plans will be shared with farm managers, garden coordinators, and local farmers and will include type and amount of each produce item needed, condition in which the produce should be provided (e.g., peeled, chopped), and monthly timelines (i.e., month in which each produce item will be required).
- NCO staff will develop a partnership agreement with Grateful Gleaners and conduct outreach to local farmers to increase the amount of produce that is available to schools and increase production of vegetables and fruits that can be utilized by school kitchens.

**OBJECTIVE 3. By Month 12, WUSD will have institutionalized a system through which produce preparation can be completed by trained groups of students.**

- NCO staff will research and identify a curriculum for teaching youth to harvest, process, and package garden produce for use by school kitchens and will adapt the curriculum as needed to address local priorities. This ten-week program will cover such topics as: harvesting methods and knowing when to harvest; proper storing of produce; processing methods (e.g., cleaning, creating proper size portions, dehydration, flash-freezing); and packaging (e.g., single-serving and meal-size packages). NCO will coordinate with WUSD to develop a system through which students will receive school credit for completing this training program, and for continuing to work with the program during the school year. (Likely sources of student stipends include the Mendocino Private Industry Council Summer Youth Intern Program and the Mendocino County Office of Education's summer youth program. These funding sources have proven stable in the past.)
- A small portion of CHCC funds (\$500) will be used to purchase a commercial food dehydrator to preserve fresh produce for use during winter months.
- NCO will work with the WUSD Food Service Director to develop a process that will institutionalize on-going participation of youth in the food processing system. This effort will benefit from work already completed by a neighboring school district (Anderson Valley), through which students enrolled in ROP classes prepare school lunches.
- NCO will develop a partnership agreement with the Willits Grange to allow processing of produce in the Willits Grange commercial kitchen.

**Recommended Action:** Adopt the resolution finding that the California Healthy Cities and Communities Program is consistent with previous actions and goals of the City Council to be proactive in promoting measures to improve community health.

**Alternative(s):** None recommended.

**Fiscal Impact:** Staff time would be in the form of in-kind service. Funds from the proposed grant would cover the cost of hiring a consultant to oversee the program.

**Personnel Impact:** While some additional work in overseeing the grant would be added to the Community Development Director and the Finance Department would be responsible for managing and reporting on the fiscal aspects of the grant, the bulk of the work would be completed by NCO and volunteers with a possibility for hiring a consultant to assist with engineering and design work.

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

**Council Action:**  Approved  Denied  Other: \_\_\_\_\_

**Records:**  Agreement  Resolution # \_\_\_\_\_  Ordinance # \_\_\_\_\_  Other \_\_\_\_\_

**RESOLUTION 2010-\_\_**

**A RESOLUTION OF THE WILLITS CITY COUNCIL INDICATING CONTINUED SUPPORT FOR THE HEALTHY CITIES CONCEPT, FOR CONTINUING PARTICIPATING IN THE CALIFORNIA HEALTHY CITIES AND COMMUNITIES PROGRAM, AND AUTHORIZING THE CITY MANAGER TO SUBMIT A GRANT APPLICATION TO THE CALIFORNIA HEALTHY CITIES AND COMMUNITIES, CENTER FOR CIVIC PARTNERSHIPS FOR FUNDING IN THE AMOUNT OF \$20,000 TO ASSIST IN DEVELOPING A PROGRAM TO PROVIDE ACCESS TO HEALTHIER FOOD FOR WILLITS CHILDREN AND YOUTH**

WHEREAS, the California Healthy Cities Project was established to provide a model for improving and promoting the health status of all California residents; and

WHEREAS, the City of Willits is a member of the California Healthy Cities and Communities Network; and

WHEREAS, the Center for Civic Partnerships has recognized the City of Willits as a California Healthy City and provided grant funding to assist in completing the City of Willits Bicycle and Pedestrian Specific Plan; and Main Street Safety Improvement Project; and

WHEREAS, the City of Willits has placed a high priority on the physical, economic, social and environmental health of our citizens and community; and

WHEREAS, the City of Willits has been proactive in supporting and initiating a number of projects in endeavoring to provide all of its citizens with a healthy, livable, sustainable community environment; and

WHEREAS, the City of Willits recognizes the importance of providing for the health and welfare of our young citizens and has actively supported activities and programs such as the Little League and Soccer Fields, Skate Park, Kid's Club, Safe Routes to Schools projects, and Walk to School events, all dedicated to providing safe and healthy opportunities for our youth; and

WHEREAS, there is a growing awareness throughout the nation about the lack of access to healthy foods in our society in general and in our schools in particular; and

WHEREAS, the City of Willits has been a strong partner with local schools and nonprofits to improve our community's food security, working on local food production, improving the quality and variety of locally produced foods, and increasing access to locally grown foods, especially for school children and low-income families and individuals; and

WHEREAS, a grant from the Center for Civic Partnerships, California Healthy City Program would provide funding for developing a program to provide access to healthier food for Willits children and youth.

NOW, THEREFORE, BE IT RESOLVED, that the Willits City Council hereby approves the following:

- 1) The City of Willits continues to support the mission of the California Healthy Cities and Communities Program; and

- 2) Authorizes City Staff to submit an application to the California Healthy Cities and Communities, Center for Civic Partnerships for a grant to assist in developing a program to provide access to healthier food for Willits children and youth; and
- 3) Appoints Paul Cayler, City Manager, or his designee, as agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project.

THE FOREGOING RESOLUTION WAS PASSED and adopted at a regular meeting of the Willits City Council held on the 14<sup>th</sup> day of July, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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BRUCE BURTON, Mayor  
City Council of the City of Willits

ATTEST:

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ADRIENNE MOORE  
City Clerk

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**CITY OF WILLITS  
111 E. COMMERCIAL ST.  
WILLITS, CA 95490**

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**COMMUNITY DEVELOPMENT DEPARTMENT  
INTER-OFFICE MEMORANDUM**

**TO:** CITY COUNCIL  
**FROM:** ALAN FALLERI, COMMUNITY DEVELOPMENT DIRECTOR  
QUINTON ROLAND, WATER CONSERVATION SPECIALIST  
**SUBJECT:** WEST COMMERCIAL STREET PLANTER-BOLLARDS; PROJECT UPDATE  
**DATE:** 07/14/10

The purpose of this memorandum is to provide the City Council with an update on staff's efforts to implement the installation of the planter-bollards that were approved by the Council as part of the West Commercial Street project.

**BACKGROUND**

During 2009, City staff, consultant Rod Wilburn, of Willow Basin Engineering, consultant W-Trans, and a group of community stakeholders worked collaboratively to design the West Commercial Street Rehabilitation Project. The final design and estimated budget, which included up to 80 planter-bollards, was approved by the City Council in November, 2009. After a competitive bid process, on June 9, 2010 City Council awarded the street construction contract to Mendocino Construction Services (MCS).

**IMPORTANCE AND PURPOSE OF THE PLANTER-BOLLARDS**

In approving the final design for West Commercial Street, the City Council recognized that Planter-Bollards provide safety and operational benefits to all users and stakeholders of the street. A planter-bollard is a highly visible, heavy object that improves driver awareness and protects pedestrians from vehicles encroaching on areas designated for pedestrian and outdoor commercial uses. Planter-bollards that are carefully placed at either end of a marked crosswalk – typically in the red curb area of the parking lane – also significantly reduce the distance and time of pedestrian exposure to vehicle traffic. Businesses benefit from the additional outdoor commercial spaces that planter-bollards can help recapture (outdoor dining or merchandising).

Another benefit of planter-bollards is the flexibility they afford. If experience proves that a planter-bollard is not ideally placed, it can simply be picked up and moved to a more beneficial location.

For these reasons planter-bollards can be an essential component to the overall downtown value creation strategy and many vibrant downtown districts in other communities are employing planter-bollards along the edges of their sidewalks, dining areas, parks and plazas to improve street form and function.

City Staff and the West Commercial Street Implementation Committee collaborated in a final street design that included 32 round concrete planter-bollards and 48 rectangular redwood planter-bollards.

### **PROCUREMENT, CONSTRUCTION AND INSTALLATION PROCESS OF PLANTER-BOLLARDS**

The contracts for procurement, materials and installation of the 80 planter-bollards will be executed independently of the street construction work performed by the general contractor. City staff will manage planter-bollard procurement and installation process so that most of the planter-bollards are ready to install soon after the general contractor's street construction work is completed.

The 32 concrete planter-bollards will be purchased from a supplier and delivered to the Public Works Yard for storage. City Staff will transport and install the planter-bollards on the street using City vehicles and equipment. The pre-cut wood and hardware (nuts, bolts, etc.) materials for the 48 redwood planter-bollards will be ordered from local suppliers. All 48 redwood planter-bollards will be constructed by volunteer labor over the course of several weeks. City Staff will transport and install the planter-bollards on the street using City vehicles and equipment.

### **PROCUREMENT & INSTALLATION SCHEDULE FOR CONCRETE PLANTER-BOLLARDS**

- Week 1 – Update supplier quotes and submit order for 32 concrete planter-bollards.
- Week 2 – Contract with local landscaper(s) for soil and plant installation.
- Week 3 – Designate sufficient space in Public Works Yard to store concrete planter-bollards
- Week 4 – Order soil and plant materials for concrete planter-bollards
- Week 6 – Supplier completes delivery of concrete planter-bollards to Public Works Yard
- Week 7 – Transport and install concrete planter-bollards on W. Commercial St.
- Week 8 – Complete installation of concrete planter-bollard soils and plants.
- Week 9 – Begin the execution of the on-going maintenance plan

## **BUDGET FOR CONCRETE PLANTER-BOLLARDS**

\$17,000 – 32 concrete planter-bollards delivered to Public Works Yard (includes shipping)  
\$0 – Transportation/installation of planter-bollards from Public Works Yard to street  
\$3,200 – Soil and plant material  
\$800 – Labor to install soil and plant material in planter-bollards on the street  
\$21,000 – Total for installation of 32 concrete planter-bollards including soil and plants

## **CONSTRUCTION & INSTALLATION SCHEDULE FOR REDWOOD PLANTER-BOLLARDS**

Week 1 – Update supplier quotes and submit order for wood and hardware materials  
Week 2 – Contract with local landscaper(s) for soil and plant installation.  
Week 3 – Order soil and plant materials for redwood planter-bollards  
Week 4 – Organize construction site and detailed schedule for volunteer labor  
Week 5 – Begin construction of redwood planter-bollards with volunteer labor.  
Week 6 – Begin installing first batch of completed redwood planter-bollards  
Week 7 – Completion of construction of redwood planter-bollards  
Week 8 – Complete the installation of redwood planter-bollard soil and plants  
Week 9 – Begin the execution of the on-going maintenance plan

## **BUDGET FOR REDWOOD PLANTER-BOLLARDS**

\$10,000 – Order wood and hardware materials for 48 redwood planter-bollards  
\$0 – Construction of redwood planter-bollards by volunteer labor  
\$0 – Transportation/installation of planter-bollards from Public Works Yard to street  
\$4,800 – Order soil and plant material  
\$1,200 – Labor to install soil and plant material in planter-bollards on the street  
\$16,000 – Total for installation of 48 redwood planter-bollards including soil and plants

## **ON-GOING MAINTENANCE PLAN AND ASSOCIATED COSTS**

The costs of maintenance and care for the planter-bollards has been roughly estimated at \$15,000 per year for the first and second years when watering and care would be higher in getting the plants established, with costs decreasing in future years. Members of the West Commercial Street Implementation Committee have offered to help with maintenance and care for the planter-bollards. Another alternative would be to contract with a local landscaper for this service.

Water for planter-bollard irrigation will be supplied via pipes and spigots that have already been installed along West Commercial Street, some along the sidewalk and some in the marked median. A volunteer or contracted landscaper will be able to connect a hose to the nearest spigot in the street right-of-way in order to irrigate an area that may contain roughly 20 planter-bollards. To complete the irrigation of all 80 planter-bollards, the person doing the irrigating will likely have to connect and disconnect the hose to four or more spigots located along the right-of-way.

The spigots are located so that irrigation can occur without running the hose across the driving lanes.

## **FISCAL IMPACT AND SOURCES OF FUNDING**

Funding for the total West Commercial Street project will be split between the City funds and a grant provided by the American Recovery and Reinvestment Act (ARRA), administered by Caltrans. Funding for the planters, plant and soil materials, irrigation, and installation labor are estimated at \$51,700, which includes an added 10% for contingencies. These expenses are not covered by the Caltrans-ARRA funding and will come from the City budget through funds transferred from the Prop 1B Transportation Bond Projects (Fund 203) into the West Commercial Street Project Budget (Fund 207). Attached, for the Council's reference, are the June 9 staff report and attachments with further details on the project budget (Engineer's Estimate) and sources of funding for the West Commercial Street Rehabilitation Project.

Additional expenses associated with initial and on-going maintenance and care of the planters have been identified. The first year's budget for the maintenance of plantings in the project site is estimated at \$15,000 (\$16,500 including 10% contingency). Funding for the first year of maintenance and care will come from Fund 202. Funding for subsequent years has yet to be identified. During the committee meetings and hearings in which the "complete streets" designs were discussed, local citizens stepped forward to volunteer time and funds to the maintenance effort. It is envisioned that staff will work with citizens and property owners along West Commercial Street to create a mechanism for long-term maintenance which could include a volunteer group, property owners responsible for those improvements within their property frontages, or property owners contributing to a maintenance fund, or a combination of these ideas.

Attachments



Item No. 9g

Meeting Date: July 14, 2010

### AGENDA SUMMARY REPORT

**To:** Honorable Mayor and Council Members

**From:** Adrienne Moore, City Clerk/Human Resources Director

**Agenda Title:** DISCUSSION AND POSSIBLE APPROVAL OF A CITY-WIDE CATASTROPHIC LEAVE POLICY

**Type:**  Presentation  Consent  Regular Agenda  Public Hearing  Urgent Time: 10 min.

**Summary of Request:** Currently, regular, full-time employees accrue 3.69 hours of sick leave per pay period (96 hours per year). Under the City's present policy, employees may use up to half of their annual accrual to attend to the needs of family health issues. In recent years, there have been several City employees who have experienced serious health conditions, either themselves or of a family member. In every case, City employees stepped up immediately to donate sick time.

Given the City does not currently have a catastrophic leave policy in place, employees who need an extended absence due to a family health issue are limited by the City's sick leave policy. Establishing a Catastrophic Leave Policy will allow employees to donate any of their available time (i.e., sick, vacation, floating holiday, management leave, or compensatory time off earned) to eligible recipients. It will also establish a new leave category for the recipient that will not be in conflict with the City's sick leave policy. Further, it allows employees to come to the aid of one another in times of need, thereby building morale and camaraderie.

**Recommended Action:** Approve the recommended City-Wide Catastrophic Leave Policy.

**Alternative(s):** Take no action at this time; provide direction to staff for desired revisions to current policy.

**Fiscal Impact:** Minimal impact.

**Personnel Impact:** None.

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

**Council Action:**  Approved  Denied  Other: \_\_\_\_\_

**Records:**  Agreement  Resolution # \_\_\_\_\_  Ordinance # \_\_\_\_\_  Other \_\_\_\_\_



# CITY OF WILLITS

## CATASTROPHIC LEAVE POLICY

### PURPOSE:

The purpose of this policy is to establish a uniform practice for administering catastrophic leave for employees of the City of Willits. The purpose of such leave is to permit employees to contribute a portion of their accrued vacation, sick leave, floating holiday, compensatory time, and/or management leave, regardless of the bargaining units involved, when such employee has suffered a catastrophic injury or illness or has a member of their family suffer from a serious illness or injury.

### RESPONSIBILITY:

All City Departments, Divisions, and City Officials

### REFERENCES:

1. City of Willits, Personnel Policies and Procedures, as follows:
  - Section 9.13 – “Leave of Absence without Pay”
  - Section 9.7 – “Family Care and Medical Leave”
  - Section 9.10 – “Pregnancy Disability Leave”

### DEFINITIONS:

For the purpose of this leave program, “CATASTROPHIC” shall be interpreted to include an illness or event which is monumental, unusual, unexpected, immediate in nature, and which is expected to preclude the employee from returning to work for an extended period of time.

### POLICY:

It is the policy of the City of Willits to permit employees to contribute a portion of their accrued leave credit to another employee when such employee is on an **approved leave of absence** due to a verifiable illness or injury (personal or family leave).

This policy and the procedures detailed herein apply to all regular, full-time, employees who have completed one year in paid status.

- A. Participation in this plan is voluntary.
- B. Eligibility shall be determined as follows:
  1. The incapacitation must be the result of the employee’s or the employee’s immediate family member who has a serious illness or injury, which is estimated to last for at least thirty (30) calendar days, and who meets the eligibility as defined under Personnel Policies & Procedures, Section 9.7 – Family Care and Medical Leave.

## CATASTROPHIC LEAVE POLICY

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2. The employee must have exhausted all available paid leave balances, including, but not limited to, sick leave, vacation leave, management leave, floating holiday leave, or compensatory time off, and is, therefore, facing financial hardship.
  3. The employee must be on an approved leave of absence without pay.
- C. Once donated leave is transferred, the hours will be used as a supplement to the recipient's accrual. Employees donating such leave shall irrevocably lose all rights and privileges to the donated leave hours. The employee shall not accrue any vacation, sick leave, floating holiday, or management leave while on catastrophic leave.
- D. All transfers shall be in whole hour increments, with an initial four-hour minimum. Donations shall be made regardless of the pay rates of the donor and recipient. The donating employee must have a vacation balance of at least 40 hours remaining after the donation of vacation leave. The donating employee may not donate more than one-half of their accrued sick leave and must maintain a balance of at least 80 hours of accrued sick leave after the donation. Employees may donate all of their floating holidays, vacation, compensatory time off earned, or management leave.
- E. All transfers of donated hours will occur in installments that coincide with payroll dates. Hours will not be deducted from the donor's accrual banks until such time as they are needed. Hours transferred to the recipient will be on a first in, first out basis.
- F. Safety employees (Labor Code §4850) are excluded from the catastrophic leave provision while on industrial injury leave, since these employees are on paid status. If at the end of the '4850' time, the employee is still recovering and placed on a regular leave of absence, that employee could apply for catastrophic leave.
- G. All donated hours must be used on a continuous and uninterrupted basis and will be paid at the rate of pay and normal work schedule of the recipient until the earliest of the following events occurs:
1. All donated leave is exhausted; or
  2. The employee returns to work at his/her normal work schedule or modified work schedule if there is an industrial injury or illness involved (non-safety); or
  3. The six (6) months of catastrophic leave (leave of absence) is exhausted; or
  4. The employee separates from employment with the City.
- H. Used donated leave time shall be subject to the recipient's normal payroll deductions.
- I. Catastrophic leave may not be used in conjunction with disability benefits or Workers' Compensation.
- J. At no time may an employee's salary exceed 100 percent of base pay.
- K. Any person who makes or causes to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining catastrophic leave benefits may be subject to disciplinary action up to and including termination.
- L. Transfers are subject to approval by the City Manager or his/her designee and shall be based upon a determination that the requested transfer is in accordance with this policy. The City Manager's decision is not subject to the grievance procedure.

**CATASTROPHIC LEAVE POLICY**

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**PROCEDURE:**

- A. The Department Head (or designee) or employee should first contact Human Resources/Payroll to ensure that the catastrophic leave requirements are met. Human Resources will prepare a generalized statement of the employee's need that will be distributed to City employees.
- B. Donations may be made by the donating employee on a City provided donation form (Attachment 1) and forwarded to Payroll. The recipient will acknowledge acceptance of the provisions of this policy by completing the recipient form (Attachment 2). Distribution and collection of donation forms must be done in a way to ensure confidentiality for both the donors and the recipient.
- C. Payroll will do the following: 1) verify that the employee is on an approved leave of absence; 2) verify that each donor has enough time to cover the donation as of a designated pay period; 3) determine the number of hours to be credited to the recipient's leave account; 4) determine the appropriate payroll period to forward the donation forms to payroll; and 5) verify that the donor has appropriately completed and signed the donation form.
- D. Payroll will deduct donated leave hours from the donor's designated leave accrual bank when needed for each pay period and add the appropriate number of hours to the recipient's catastrophic leave. In no event shall the donor have hours deducted before they are required by the recipient and in no event shall the recipient have a surplus in their leave bank.

**APPROVED BY:**

\_\_\_\_\_  
Paul Cayler, City Manager

\_\_\_\_\_  
Date



**CATASTROPHIC LEAVE PROGRAM  
RECIPIENT ACKNOWLEDGEMENT FORM**

I understand that I am responsible for reading, understanding and complying with this Policy and the requirements of the catastrophic leave program. By accepting a Catastrophic Leave donation from coworkers, I acknowledge that I will not receive disability benefits and will not accrue vacation, sick leave, management leave, or floating holiday leave while on catastrophic leave.

**Recipient's Name:** \_\_\_\_\_  
*(Printed name - Last, First and Middle Initial)*

**Recipient's Signature:** \_\_\_\_\_

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



CATASTROPHIC LEAVE POLICY

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**DONATION FORM**

**TO:** Human Resources/Payroll

**FROM:** \_\_\_\_\_  
*(Print Name – Last, First, Middle Initial)*

I wish to contribute the following hours (all donations must be in one-hour increments) to the employee named below as part of the City's catastrophic leave program. I understand that my leave donation will not be deducted until such time as the employee needs hours to cover a payroll reporting period.

**DONOR:** \_\_\_\_\_  
*(Print Name – Last, First, Middle Initial)*

- \_\_\_\_\_ Vacation leave
- \_\_\_\_\_ Floating holiday
- \_\_\_\_\_ Management leave
- \_\_\_\_\_ Compensatory time off earned
- \_\_\_\_\_ Sick leave

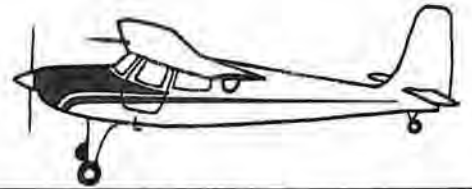
My leave donation is made using the parameters identified in the City's Catastrophic Leave Policy.

I understand that this donation is irrevocable once applied to the recipient's catastrophic leave for any given payroll period.

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

# Sierra Pacific Aviation



1300 Poppy Drive • Willits, California 95490 • (707) 459-4122 • Fax (707) 459-9585

May 29, 2010

City Council  
City of Willits  
111 East Commercial Street  
Willits, CA 95490

**RE: Letter of Intent to change the management of the Willits Municipal Airport.**

To the members of the city council:

This letter of intent is a proposal submitted to the Willits City Counsel for a change in management of the Willits Municipal Airport commonly known as Ells Field. The purpose for this submission is to propose a change in the structure of management at the airport which will be more favorable for future economic development of the airport than has been possible in the past. For the sum of \_\_\_\_\_ per month, I propose to lease the Willits Airport from the City of Willits. In exchange for the lease of the airport, for the above amount, I will agree to assume the following responsibilities:

- 1) Manage the rental of the existing hangars and buildings.
- 2) Be responsible for hanger management.
- 3) Manage the fuel system.
- 4) Assume responsibility for the liability insurance with the City as the name insured.
- 5) Keep up and maintain the grounds.
- 6) Be responsible for maintaining the runway lighting system.
- 7) Assume responsibility for water, sewer, and electrical services.
- 8) To develop a long-term economic development plan for the airport to enhance economic growth and therefore increase returns to the City of Willits.

The term of this initial lease will be two years, with an option of renewal. The option for renewal would require a long-term lease of up to fifty years to provide financing security for continued development of the airport; to include, but not limited to, additional hangars and commercial aviation related shop space.

This letter of intent is meant to be a starting point for further discussion.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Duif Bamee". The signature is written in a cursive, flowing style.