



**CITY COUNCIL/SUCCESSOR  
AGENCY TO THE SHASTA LAKE  
REDEVELOPMENT AGENCY MEETING**

**AGENDA**

**City Council Chambers  
4488 Red Bluff St  
Shasta Lake, CA 96019  
Tuesday, December 17, 2013 at 6:00 P.M.**

The Brown Act prohibits the Council from taking action on any item not placed on the Agenda in most cases.

The Brown Act requires any non-confidential documents or writings distributed to a majority of the City Council less than 72 hours before a regular meeting to be made available to members of the public at the same time they are distributed.

Should supplemental materials to be evaluated in the decision making process be made available to the members of the legislative body at the meeting, seven (7) copies must be provided to the City Clerk who will distribute them.

Councilmembers are encouraged to contact the City Manager prior to the meeting with questions or concerns regarding any item on the Agenda so that their questions and concerns can be adequately addressed at the meeting.

Agenda packets are available for public review at City Hall, 1650 Stanton Drive, Shasta Lake, CA during normal business hours of 7:00 a.m. to 4:00 p.m. weekdays, excluding holidays.

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call (530) 275-7407. Notification 48 hours prior to the meeting is requested to enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

**1.0 CITY COUNCIL MEETING REGULAR SESSION – CALL TO ORDER 6:00 PM**

Call to order (please place cell phones and pagers on silent).

While it is not required, we request that members of the public fill out a speaker request form on the table at the back of the room and hand it to the City Clerk.

Statement for the record of Council members present.

Pledge of Allegiance & Invocation.

**2.0 AWARDS AND RECOGNITIONS:**

Presentation of Certificate of Appreciation to Central Valley Feed for their community support and hosting of the pet adoption event.

**3.0 COMMUNICATIONS:**

**3.1 Presentations:**

**3.2 Public Comment Period:**

This time is set aside for citizens to address the City Council on matters listed on the Consent Agenda as well as other items **not** included on the Regular Agenda. If your comments concern an item noted on the regular agenda, please address the Council after that item is open for public comment; you will be given one three (3) minute opportunity to do so prior to Council taking action. **Each speaker is allocated three (3) minutes to speak. Speakers may not cede their time.** Comments should be limited to matters within the jurisdiction of the City. While it is not required, persons wishing to address the Council should fill out a Speaker Request Form prior to the beginning of the meeting and submit it to the City Clerk. Forms are available from the City Clerk, 1650 Stanton Drive, Shasta Lake, on the City's website, or at the back of the meeting hall. If you have documents to present to members of Council, please provide a minimum of seven copies.

**3.3 Commission/Committee Reports**

#### 4.0 CONSENT AGENDA:

**NOTICE:** The items listed under the Consent Agenda are considered routine business and will be voted on together by one motion unless a Council Member requests a specific item to be removed and discussed separately.

- 4.1 Acceptance of the regular meeting minutes of December 3, 2013. **Page 1**
- 4.2 Resolution authorizing the County of Shasta to submit to the California Department of Resources Recycling and Recovery a beverage container recycling and litter reduction fund application for fiscal year 2013/2014 funding cycle. **Page 4**
- 4.4 Check Register Information Item **Page 6**  
11/21/2013 Wires 1576-1578 & Checks 50766-50837, \$1,231,796.72  
11/29/2013 Payroll \$115,737.88  
Total: \$1,347,534.60

#### 5.0 PUBLIC HEARINGS:

- 5.1 Public Hearing, discussion and possible action for the adoption of a Resolution approving the Renewable Energy Procurement Plan and Enforcement Plan in accordance with SBX1-2. **Page 12**
- 5.2 Electric Utility Director Staff Report - Purchase Power Arrangements for 2014. **Page 27**

#### 6.0 REGULAR AGENDA:

- 6.1 Discussion and possible action on a Resolution approving an increase in the cleaning deposit for rental of the John Beaudet Community Center from \$150 to \$500 for events at which alcohol is served. **Page 28**
- 6.2 a) Discussion and possible action on a Resolution of the City Council approving the Successor Agency of the Redevelopment Agency's Long Range Property Management Plan. **Page 31**
- b) Possible action on a Resolution of the Successor Agency of the Shasta Lake Redevelopment Agency approving the Long Range Property Management Plan as revised December 2, 2013.
- 6.3 Annual Mayor's appointment to various Committees and Commissions  
Finance Committee  
Check Register Review  
Public Facilities Committee  
Public Safety Committee  
Local Agency Formation Organization (LAFCO)  
Mayor's City Select Committee  
Redding Area Bus Authority (RABA)  
Redding Area Water Council & NSVIRWVG  
Shasta Regional Transportation Agency (SRTA)  
Department of Housing and Community Action  
Shasta County Area Commission on Aging  
2 + 2 with Gateway Unified School District

Youth Violence Prevention Council  
Medical Marijuana Committee

**7.0 COUNCIL/STAFF REPORTS/COMMENTS:**

7.1 Staff Comments/Reports

7.2 City Council Comments/Reports

- Brief reports by members of the Council regarding correspondence, events and/or meetings attended, and upcoming meetings/events.
- Suggestions for future agenda items.
- In compliance with Assembly Bill 1234, Council will report of attendance at conferences/meetings/events where expenses are reimbursed by the City.

Committee and Commission Meetings

City Council Meetings	1st and 3rd Tuesday at 6:00 p.m.
Parks and Recreation Advisory Commission	4th Wed. at 6:00 PM in Jan, March, May, July, Sept, and Nov
Planning Commission	3rd Thursday at 6:00 p.m.

City Council Meetings are televised on Channel 11 the following Wednesday at 6:00 p.m. and Friday at 2:00 p.m.



CITY OF SHASTA LAKE  
CITY COUNCIL MEETING MINUTES

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MINUTES OF THE REGULAR MEETING  
HELD TUESDAY, DECEMBER 3, 2013 AT THE  
CITY COUNCIL CHAMBERS, 4488 RED BLUFF ST, SHASTA LAKE, CALIFORNIA

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**1.0 CITY COUNCIL MEETING - 6:00 p.m.**

Mayor Farr called the meeting to order at 6:00 p.m.  
Council Members present: Chapman-Sifers, Dixon Farr, Morgan, Watkins  
Council Members absent: None

**2.0 NOMINATIONS FOR MAYOR AND MAYOR PRO TEMPORE**

1. Mayor Farr opened nominations for new Mayor.

**Motion/Vote**

By motion made/seconded (Farr/Watkins), and carried, Council Member Morgan was appointed as the new Mayor.

2. Mayor Morgan opened nominations for Mayor Pro Tempore (Vice Mayor).

**Motion/Vote**

By motion made/seconded (Farr/Morgan), and carried, Council Member Watkins was appointed as the new Mayor Pro Tempore.

Mayor Morgan adjourned the meeting for refreshments at 6:05. The meeting was reconvened at 6:15.

**3.0 COMMUNICATIONS**

**3.1 Presentations:**

Stacy Lidie, Lead Accounting Technician – Reported on the Affordable Care Act.

Carla Thompson, Development Services Director – Reported on previously proposed projects where applicant withdrew their application.

3.2 Public Comment Period:

Leonard Bandell spoke regarding a possible General Plan Amendment to allow septic systems on 1 ½ acre lots.

Steve Morgan congratulated Mayor Morgan on her appointment and also reported on Shasta Lake Fire Protection District's new fire engines.

Kay Kobe reported on the status of the library move and the upcoming Damboree Children's Christmas Party.

3.3 Commission and Committee Reports:

**4.0 CONSENT AGENDA**

4.1 Acceptance of the regular meeting minutes of November 19, 2013.

4.2 Resolution CC13-91 accepting the Pine Grove Avenue Overpass Paving Project as complete and authorizing the filing of a Notice of Completion.

4.3 Resolution CC13-92 accepting the 2013 Bikeway Improvement Project as complete and authorizing the filing of a Notice of Completion.

4.3 Check Register Information Item  
10/24/2013 Checks 50576-50618, \$424,782.98  
10/31/2013 Checks 50619-50658, \$220,553.66  
11/07/2013 Checks 50659-50715, \$574,785.66  
11/14/2013 Checks 50716-50765, \$317,892.35  
11/15/2013 Payroll \$116,070.16

**Motion/Vote**

By motion made/seconded (Chapman Sifers/Farr), and carried, the consent agenda was approved.

**5.0 PUBLIC HEARINGS:** None

**6.0 REGULAR AGENDA**

6.1 Discussion and possible action on Resolution approving an Agreement with the County of Shasta for placement of an Elections Ballot Drop Box at the John Beaudet Community Center.

**Motion/Vote**

By motion made/seconded (Farr/Chapman-Sifers), and carried, Resolution CC13-93 was approved.

6.2 Discussion and possible action to establish the procedure for settlement of claims.

**Motion/Vote**

By motion made/seconded (Watkins/Chapman-Sifers), and carried, Resolution CC13-94 was approved as amended.

- 6.3 Discussion and possible Mayor’s appointment of a Policy Advisory Council Member to the Redding Area Water Committee.

Mayor Morgan appointed Council Member Farr to the Redding Area Water Committee.

**7.0 COUNCIL/STAFF REPORTS/COMMENTS**

7.1 Staff Comments

7.2 Council Comments/Reports:

**8.0 ADJOURNMENT**

With no further business to come before the City Council, Mayor Morgan adjourned the meeting at 7:25 pm.

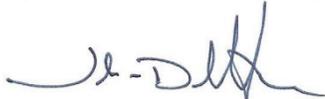
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**TONI M. COATES, CMC**  
City Clerk



Report Reviewed and Approved

4.2

  
\_\_\_\_\_  
City Manager

## AGENDA ITEM CITY COUNCIL MEETING

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**TO:** John Duckett, City Manager  
**FROM:** Jessaca Lugo, Program Manager  
**DATE:** November 26, 2013  
**SUBJECT:** Beverage Container Recycling & Litter Reduction Grant FY 2013-2014  
**FILE:** G-100-900-003

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**SUMMARY:**

Staff is requesting Council consideration approval of a Resolution, which is an administrative requirement for funding applications in which the City partners with the County of Shasta for recycling and waste disposal programs.

**BACKGROUND:**

CalRecycle is the administrative agency for various recycling and litter reduction programs. The City has partnered with the County of Shasta in past years to obtain funding from CalRecycle, making possible beverage container recycling and litter reduction programs. Staff recently received a request from the Shasta County Department of Resource Management for City Council authorization to partner in the 2013/2014 funding cycle for these grant programs.

**FISCAL IMPACTS:**

None

**ATTACHMENTS:**

Governing Board Resolution

**DISTRIBUTION:**

City Council

**RESOLUTION CC 13-XX**

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**A SHASTA LAKE CITY COUNCIL RESOLUTION AUTHORIZING THE COUNTY OF SHASTA TO SUBMIT TO THE CALIFORNIA DEPARTMENT OF RESOURCES RECYCLING & RECOVERY A BEVERAGE CONTAINER RECYCLING AND LITTER REDUCTION FUND APPLICATION FOR FISCAL YEAR 2013/2014 FUNDING CYCLE.**

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**WHEREAS**, the people of the State of California have enacted the California Beverage Container Recycling and Litter Reduction Act that provides funds to cities and counties for beverage container recycling and litter cleanup activities; and

**WHEREAS**, the California Department of Resources Recycling & Recovery (CalRecycle) has been delegated the responsibility for the administration of the program within the state, setting up necessary procedures governing application by cities and counties under the program; and

**WHEREAS**, per Section 14581 (a)(4)(E) of the California Beverage Container Recycling and Litter Reduction Act, the eligible participant must submit the Funding Request Form by the due date and time in order to request funds from CalRecycle.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Shasta Lake authorizes the joint participation and submittal of the Funding Request to apply for the **Fiscal Year 2013-2014 City/County Payment Program** for beverage container recycling/litter reduction on behalf of itself to CalRecycle. The City of Shasta Lake hereby authorizes and empowers the Director of the Shasta County Department of Resource Management to act as Lead Agency and execute in the name of the City of Shasta Lake all necessary forms and information hereto for the purposes of securing payment to implement and carry out the program as specified in Section 14581 (a)(4)(A) of the California Beverage Container Recycling and Litter Reduction Act, and to provide information regarding this program to CalRecycle upon request. The Shasta County Department of Resource Management will be the responsible party to provide records to CalRecycle should an audit be performed.

**PASSED, APPROVED, AND ADOPTED** this 17th day of December 2013, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

\_\_\_\_\_  
**PAMELYN MORGAN**, Mayor

**ATTEST:**

\_\_\_\_\_  
**TONI M. COATES**, CMC, City Clerk

Bank : nvbap NORTH VALLEY BANK

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
1576	11/20/2013	001700 Voucher:	11310280.649	11/20/2013	10/13 CVP RESTORATION	13,031.70	13,031.70
1577	11/20/2013	001700 Voucher:	11311110.578	11/20/2013	10/13 POWER PURCHASE	576,655.92	576,655.92
1578	11/20/2013	002982 Voucher:	SHELL ENERGY NORTH AMEF1240891	11/20/2013	10/13 POWER PURCHASE	358,964.32	358,964.32
50766	11/21/2013	002802 Voucher:	AFTER FIVE MAGAZINE 11967	11/06/2013	11/13 PROMO -VETERANS DA	115.00	115.00
50767	11/21/2013	001637 Voucher:	APEX TECHNOLOGY MANAGETS1311560	11/01/2013	11/13 COMPUTER SUPPORT	4,019.23	4,284.23
50768	11/21/2013	004736 Voucher:	AT & T CAL NET 2 1311472	11/01/2013	11/13 AXCIENT PROTECT - C	265.00	91.16
50769	11/21/2013	004736 Voucher:	AT & T CAL NET 2 4830129	11/01/2013	10/13 INTERNET - WWTP	91.16	81.85
50770	11/21/2013	004736 Voucher:	AT & T CAL NET 2 4830080	11/01/2013	10/13 MEAS BUSINESS LINE -	81.85	16.16
50771	11/21/2013	001042 Voucher:	BASIC LABORATORY 4830371	10/31/2013	10/13 MEASURED BUSINESS	16.16	288.00
			1310687	11/12/2013	DW- GENERAL TESTING	288.00	160.00
			1310928	11/18/2013	WWTP- WEEKLY TESTING	160.00	160.00
			1310624	11/08/2013	WWTP- WEEKLY TESTING	160.00	124.00
			1310814	11/14/2013	DW- BACTERIA TESTING	84.00	40.00
			1310766	11/13/2013	DW- BACTERIA TESTING	84.00	40.00
			1310851	11/15/2013	WWTP- WEEKLY TESTING	40.00	40.00
			1310675	11/11/2013	WWTP - WEEKLY TESTING	40.00	40.00
			1310658	11/11/2013	WWTP - WEEKLY TESTING	40.00	40.00
			1310648	11/11/2013	WWTP - REC DRAIN	40.00	976.00
50772	11/21/2013	000140 Voucher:	CALIFORNIA SAFETY 252285	11/21/2013	11/13 ALARM LEASE	365.70	365.70
50773	11/21/2013	003092 Voucher:	CARE ANIMAL HOSPITAL 3070	11/21/2013	FELINE SPAY CERT	15.00	15.00
50774	11/21/2013	002971 Voucher:	CHARTER COMMUNICATIONS8751150040175	11/07/2013	2 MONTHS-DSL / LEC	288.50	288.50
50775	11/21/2013	000747 Voucher:	CITY OF SHASTA LAKE- UTILI 11313	11/03/2013	11/3/13 UTILITY BILLS	27,148.45	27,148.45

Bank : nvbap NORTH VALLEY BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
50776	11/21/2013	000737 Voucher:	CITY OF SHASTA LAKE-GEN F4845	11/20/2013	SHARES	500.00	500.00
50777	11/21/2013	000749 Voucher:	CITY OF SHASTA LAKE-PETTY1860	11/21/2013	CASH DRAWER FOR ANIMAL	200.00	200.00
50778	11/21/2013	000749 Voucher:	CITY OF SHASTA LAKE-PETTY4846	11/21/2013	PETTY CASH	140.19	140.19
50779	11/21/2013	005182 Voucher:	COMER COMMUNICATION SO4548	11/12/2013	TROUBLESHOOT VOICEMAIL	95.00	95.00
50780	11/21/2013	001289 Voucher:	CONTECH CONSTRUCTION PIN00070992	11/13/2013	2- GALV 16GA 24"	45.97	45.97
50781	11/21/2013	000225 Voucher:	COOK CONCRETE PRODUCT:123010	11/04/2013	GRATE CDOT - GALVANIZED	452.84	452.84
50782	11/21/2013	004766 Voucher:	CROWELL, JASON 4719	11/21/2013	REIMB COST OF CERT RENE	65.00	65.00
50783	11/21/2013	000238 Voucher:	CROWN MOTORS 6139312/1	11/21/2013	MULTI PT INSPECTION ON '10	418.66	418.66
50784	11/21/2013	001824 Voucher:	CWEA 4780	11/21/2013	CWEA CSM CERT RENEWAL	77.00	77.00
50785	11/21/2013	000714 Voucher:	D.H. SCOTT & CO. 237320	10/31/2013	PRO SVCS -AUDIT OF FINAN	15,000.00	15,000.00
50786	11/21/2013	003730 Voucher:	DATAPROSE INC 748525	10/31/2013	10/13 UTILITY BILLINGS	3,718.98	3,718.98
50787	11/21/2013	004934 Voucher:	DAVE'S BOOTS & REPAIR 35973	11/06/2013	REPAIR BOOTS - ACO	85.00	85.00
50788	11/21/2013	006743 Voucher:	DAVIS, KATHERINE webinvoice	11/18/2013	UTILITY REFUND	19.27	19.27
50789	11/21/2013	005917 Voucher:	DOBLE ENGINEERING COMP/00142409	10/30/2013	LAB SERVICES	200.00	200.00
50790	11/21/2013	006742 Voucher:	EATON, HOLLY A webinvoice	11/18/2013	UTILITY REFUND	94.28	94.28
50791	11/21/2013	000291 Voucher:	FEDEX 2-465-81094	11/15/2013	SHIPPING	59.76	59.76
50792	11/21/2013	002399 Voucher:	FIRST AMERICAN TITLE 1540-154010076	10/14/2013	CLTA PARCEL MAP GUARANT	250.00	250.00

Bank : nvbap NORTH VALLEY BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
50793	11/21/2013	001952 Voucher:	040-13	11/07/2013	PLAN CHECK - METAL BLDG/I	1,620.10	1,620.10
50794	11/21/2013	002930 Voucher:	4917	11/13/2013	REIMB COST OF CERT RENE	79.30	79.30
50795	11/21/2013	003226 Voucher:		11/18/2013	2- SA 12-16.5 SAMSON SKS P	442.51	442.51
50796	11/21/2013	001316 Voucher:	9291115716	11/08/2013	2- PAIRS HIP BOOTS (PW)	186.28	
50797	11/21/2013	000361 Voucher:	9293426590	11/12/2013	HIP BOOTS	93.14	279.42
50798	11/21/2013	005676 Voucher:	8566543	11/11/2013	4- GEL CRTG / PH STORAGE	212.02	212.02
50799	11/21/2013	000877 Voucher:	4872	11/15/2013	GARNISHMENT	276.93	276.93
50800	11/21/2013	000394 Voucher:		11/05/2013	TRANS CROSS BRACE-6 POS	11,393.39	11,393.39
50801	11/21/2013	005010 Voucher:	1113	11/20/2013	11/13 IBEW UNION DUES - EM	775.44	775.44
50802	11/21/2013	002303 Voucher:	77105551	11/08/2013	4- 31-MHD	505.98	
			77105556	11/08/2013	8- 6015-050	10.75	516.73
				11/15/2013	CONTROL	161.90	
			194951	10/29/2013	20- RETAINERS	77.19	
			194318	10/24/2013	8- BOLTS	22.70	
			194317	10/11/2013	BOLT - SHIELD	21.35	
			194319	10/12/2013	HANDLE	12.39	
			194320	10/11/2013	RETAINER	7.72	303.25
50803	11/21/2013	004532 Voucher:	4849	11/21/2013	REFUND OVERPAYMENT OF	7.50	7.50
50804	11/21/2013	006744 Voucher:	webinvoice	11/18/2013	UTILITY REFUND	22.88	22.88
50805	11/21/2013	001520 Voucher:	0509739E	11/13/2013	REPAIR OF '10 FORD EXPEDI	2,215.81	2,215.81
50806	11/21/2013	005324 Voucher:	5565	11/19/2013	REIMB COST OF MEALS & M/	312.72	312.72
50807	11/21/2013	003330 Voucher:	1626	11/21/2013	REFUND ON NEUTER DEPOS	70.00	70.00

Bank : nvbap NORTH VALLEY BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
50808	11/21/2013	000529 Voucher:	MT. SHASTA SPRING WATER 114230	11/08/2013	DISTILLED WATER FOR WW1	10.75	10.75
50809	11/21/2013	002249 Voucher:	MUNICIPAL MAINT EQUIPMEN0086309-IN	11/13/2013	2-SWITCH & A RUBBER INSUI	70.80	70.80
50810	11/21/2013	001455 Voucher:	NATIONWIDE RETIREMENT S11913	11/09/2013	DEF COMP PPE 11/9/13	5,155.01	5,155.01
50811	11/21/2013	006043 Voucher:	OFFICE DEPOT 681085363001	11/01/2013	2- MONTH DESKPADS	36.53	
50812	11/21/2013	000620 Voucher:	PETERSON TRACTOR CO. 681085551001	11/01/2013	2-MAGNETIC SQUARES AND	20.17	56.70
50813	11/21/2013	000625 Voucher:	PITNEY BOWES, POSTAGE M.3816279-NV13	11/06/2013	SPRINGS/MIRROR/BOOT	193.11	
50814	11/21/2013	000631 Voucher:	POWER DRAULICS CO. 42339	10/31/2013	SWITCH / SEAL	122.43	315.54
50815	11/21/2013	002109 Voucher:	PUBLIC EMPLOYEE'S RETIRE 1	11/13/2013	11/13 POSTAGE MACHINE LE.	109.62	109.62
50816	11/21/2013	001146 Voucher:	REDDING TELEPHONE R1651	11/06/2013	VAC TUBE ASSY	1,947.68	1,947.68
50817	11/21/2013	002134 Voucher:	ROB'S HEATING & COOLING 17371	11/21/2013	RETIREMENT CONTRIBUTIO	29,147.44	29,147.44
50818	11/21/2013	003290 Voucher:	ROSENOW SPEVACEK GROU1013	11/01/2013	11/13 ANSWERING SERVICE	228.88	228.88
50819	11/21/2013	005775 Voucher:	S.T. RHOADES CONSTRUCTI(1	11/04/2013	IND PK WINTERIZE SWAMP C	225.00	225.00
50820	11/21/2013	004859 Voucher:	SCOTT, VIRGINIA 4779	10/31/2013	10/13 SUCCESSOR AGENCY *	195.00	195.00
50821	11/21/2013	002110 Voucher:	SHASTA BOOT COMPANY 69725	11/15/2013	PINE GROVE AVENUE OVERF	57,169.00	57,169.00
50822	11/21/2013	001754 Voucher:	SHASTA COUNTY AUDITOR, C3575	11/15/2013	FEE FOR YOGA INSTRUCTOF	80.00	80.00
50823	11/21/2013	003634 Voucher:	SHASTA DAM AREA SENIOR A5071	11/13/2013	BOOTS FOR WWTP OP/PER I	209.61	209.61
50824	11/21/2013	001268 Voucher:	SHASTA LAKE BULLETIN 9583	11/20/2013	REMIT-10/13 PARKING CITATI	87.50	87.50
				10/31/2013	10/13 FINANCIAL SUPPORT	125.00	125.00
				11/07/2013	CVHS HOMECOMING AD	45.00	45.00

Bank : nvbap NORTH VALLEY BANK (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
50825	11/21/2013	001028 Voucher:	SIERRA CHEMICAL CO.	11/05/2013	CHLORINE FOR WWTP	1,525.00	1,525.00
50826	11/21/2013	000255 Voucher:	STATEWIDE TRAFFIC SAFETY1	11/08/2013	2013 BIKEWAY IMPROVEMEN	98,418.65	98,418.65
50827	11/21/2013	000524 Voucher:	SUNRISE ENVIRONMENT SCII32899	11/06/2013	36 - PAILS ENVIRO SOLVE W	1,938.20	1,938.20
50828	11/21/2013	001507 Voucher:	SUPERIOR CA ECON DEVELO7259	11/15/2013	MICROENTERPRISE ACTV 10	2,820.69	2,820.69
50829	11/21/2013	002826 Voucher:	SWA @ MTN GATE QUARRY 28455	11/08/2013	3/4" BASE	128.60	128.60
50830	11/21/2013	003946 Voucher:	TEAMSTERS LOCAL #137 1113	11/21/2013	11/13 UNION DUES - EMPLOYE	1,005.00	1,005.00
50831	11/21/2013	001014 Voucher:	VALLEY INDUSTRIAL COMM., 110906	11/06/2013	CRIMPED CENTER PIN	95.00	95.00
50832	11/21/2013	001904 Voucher:	VCAASHER 3071	11/06/2013	SPAY CERT	15.00	15.00
50833	11/21/2013	005014 Voucher:	VEHICLE REGISTRATION COL4873	11/20/2013	GARNISHMENT	142.00	142.00
50834	11/21/2013	000245 Voucher:	WAPA, WESTERN AREA POWI961037	11/08/2013	12/13 OP COSTS FOR FLANA	2,997.00	2,997.00
50835	11/21/2013	000872 Voucher:	WELCH ENTERPRISES 57180	11/09/2013	VETERANS PARADE - TOILET	554.50	554.50
50836	11/21/2013	005916 Voucher:	WELLS FARGO EQUIP FINAN(8698708	11/13/2013	12/13 VAC TRUCK LEASE	4,799.85	4,799.85
50837	11/21/2013	000897 Voucher:	ZEE MEDICAL SERVICE 0724129584	11/13/2013	FIRST AID CABINET SUPPLIE	194.76	194.76

Sub total for NORTH VALLEY BANK: 1,231,796.72

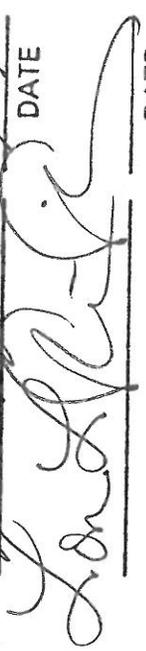
283,144.72

75 checks in this report.

Grand Total All Checks: 1,231,796.72

PAYMENT AUTHORIZED BY


  
 Pamela Anne Morgan 11/22/13 DATE


  
 Lonnie C. [unclear] DATE

STAMPED SIGNATURES AUTHORIZED BY


  
 DATE 11/22/13


  
 DATE 11/22/13



Report and Recommendations  
Reviewed and Approved

5.1

City Manager

**AGENDA ITEM**  
**City Council Meeting**

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**TO: John N. Duckett, Jr., City Manager**

**FROM: Tom Miller, Electric Utility Director**

**DATE: December 10, 2013**

**SUBJECT: Renewable Portfolio Standard (RPS) and Enforcement Plans**

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**RECOMMENDATION:**

Staff recommends that City Council update the City's Renewable Portfolio (RPS) and Enforcement Plan policies. These policies were last updated by staff and Council on December 12, 2011.

**BACKGROUND:**

In 2002, California established its Renewable Portfolio Standard Program, with the goal of increasing the percentage of renewable energy in the state's electricity mix to 20% of retail sales by 2017. In 2006, Senate Bill 107 codified California's 20% by 2010 RPS goal. Publicly owned utilities (POU), like the City of Shasta Lake, set their own RPS goals recognizing the intent of the legislature is to achieve the 20% by 2010 target. In response to SB 107, the City of Shasta Lake adopted policies and practices in an effort to meet a 20% RPS goal.

In April 2011, new legislation Senate Bill X1-2 was signed by Governor Brown requiring all utilities to meet a 33% Renewable Portfolio Standard (RPS) goal by 2020. By legislative mandate, the City of Shasta Lake must adopt the new RPS goals of an average of 20% of retail sales from renewable resources for the period 2011-2013, 25% by the end of 2016, and 33% by the end of 2020. The City of Shasta Lake is required to provide both a plan for procurement to reach this RPS goal as well as an associated enforcement program, which must be approved by Council and submitted to the California Energy Commission (CEC).

In April 2013, the CEC published the seventh edition of the Renewable Portfolio Standards Eligibility Commission Guide Book. This latest edition provided clarification and insight for POU's renewable portfolio compliance and establishing financial constraints for enforcement activities. It is staff's desire to refine the City's existing policies and update according to the last CEC guidance.

**FISCAL IMPACTS:**

None

**ATTACHMENTS:**

Renewable Portfolio Standard Policy  
Enforcement Plan Policy

**DISTRIBUTION:**

City Council

**Attachment A**  
**Renewables Portfolio Standard Enforcement Program**

This Enforcement Program shall apply to the City of Shasta Lake (“City”) and shall, in conjunction with the City’s Renewable Energy Resources Procurement Plan, replace Resolution CC 11-85.

**Section 1: Definitions**

The definitions set forth in Public Resources Code (“PRC”) § 25741 and Public Utilities Code (“PUC”) § 399.12 are incorporated herein. Capitalized terms in this RPS Enforcement Program, as first identified in parentheses, shall have the meaning given to such term in the body of this RPS Enforcement Program.

The following definitions shall also apply to the City’s RPS Enforcement Program:

**CPUC:** The California Public Utilities Commission.

**Energy Commission:** The State Energy Resources Conservation and Development Commission.

**City Council:** The regulatory authority for the City.

**Renewable Energy Resources:** An electrical generating facility or electricity product that complies with the requirements of PUC §§ 399.12(e), 399.12(h), or 399.16(d).

**Renewable Energy Resources Procurement Plan:** The plan adopted by the City Council pursuant to PUC § 399.30.

**RPS Regulations:** The Energy Commission’s “Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities,” as adopted on June 12, 2013, and effective as of October 1, 2013.

**Section 2: Compliance Periods**

The City Council adopts the following compliance periods as required by PUC § 399.30(b):

Compliance Period One: January 1, 2011 through December 31, 2013

Compliance Period Two: January 1, 2014 through December 31, 2016

Compliance Period Three: January 1, 2017 through December 31, 2020

### **Section 3: Renewable Energy Resources Procurement Targets**

The City Council adopts the following Renewable Energy Resources Procurement Targets as a percentage of retail sales, pursuant to PUC § 399.30(c)(1)-(2):

#### Compliance Period One:

An average of 20% Renewable Energy Resources procurement for the period of January 1, 2011 through December 31, 2013.

#### Compliance Period Two:

By December 31, 2016: 25% Renewable Energy Resources procurement.

#### Compliance Period Three:

By December 31, 2020: 33% Renewable Energy Resources procurement.

### **Section 4: Procurement Content Categories**

The Electric Utility Director shall assign all RPS-eligible resources procured by the City to their appropriate procurement content category in accordance with the provisions of PUC § 399.30(c)(3), consistent with PUC § 399.16.

### **Section 5: Grandfathering of Procurement Content Category Requirements**

The Electric Utility Director of the City shall count all resources meeting the requirements of PUC § 399.16(d) in full towards the procurement requirements set forth in the City's RPS Enforcement Program, if all of the following conditions are met: (1) the renewable energy resource was eligible under the rules in place as of the date when the contract was executed; and (2) any contract amendments or modifications occurring after June 1, 2010, do not increase the nameplate capacity or expected quantities of annual generation, or substitute a different renewable energy resource; provided that the duration of the contract may be extended if the original contract specified a procurement commitment of 15 or more years.

### **Section 6: Delay of Timely Compliance**

The City Council may adopt measures permitting the City to delay timely compliance with the requirements of this enforcement program pursuant to PUC § 399.30(c)(2), consistent with the requirements of PUC § 399.15(b)(5).

### **Section 7: Banking Rules**

The City Council may adopt measures permitting the City to accumulate, beginning January 1, 2011, excess procurement in one compliance period to be applied to any subsequent compliance

period provided that the quantity of excess procurement is determined in the same manner as allowed for retail sellers pursuant to PUC § 399.13(a)(4)(B), consistent with Section (a)(1)(E) of the Energy Commission’s RPS Regulations.

### **Section 8: Cost Limitations**

The City Council may establish a limitation on the procurement expenditures for all Renewable Energy Resources used to comply with this enforcement program. In establishing such limit, the City Council shall rely on elements consistent with PUC § 399.15(c)(1)-(3). The Electric Utility Director may include a cost limitation value in the Renewable Energy Resources Procurement Plan. This cost limitation value shall be updated on a periodic basis.

### **Section 9: Renewable Energy Resources Procurement Plan**

The City Council expressly directs the Electric Utility Director to present a Renewable Energy Resources Procurement Plan to the City Council, in compliance with PUC § 399.30(a). As necessary, the Electric Utility Director shall present an updated Renewable Energy Resources Procurement Plan to the City Council. The City Council staff shall post a public notice whenever the City Council will deliberate in public on the Renewable Energy Resources Procurement Plan. The City Council staff shall also provide data annually to the Energy Commission and to report annually to the City customers and the Energy Commission in accordance with PUC § 399.30.

### **Section 10: Enforcement**

The City Council directs the Electric Utility Director to inform the City Council at a public meeting in the event that City will not meet the procurement requirements set out in Section 4 above, subject to flexible compliance mechanisms of Sections 6, 7, and 8. The Electric Utility Director shall develop and present a plan to bring City into compliance.

## **Attachment B Renewable Energy Resources Procurement Plan**

This Renewable Energy Resources Procurement Plan (“RPS Procurement Plan”) shall apply to the City Shasta Lake (“City”) and shall, in conjunction with the City’s Renewables Portfolio Standard Enforcement Program, replace Resolution CC 11-85.

### **Section 1: Purpose**

This document comprises the City’s RPS Procurement Plan. This RPS Procurement Plan describes how the City will achieve its RPS procurement requirements in compliance with the Renewables Portfolio Standard Program, as codified in the California Public Utilities Code (PUC) §§ 399.11-399.31, and with the Energy Commission’s RPS Regulations.

### **Section 2: Definitions**

The definitions set forth in Public Resources Code (“PRC”) § 25741, Public Utilities Code PUC § 399.12, and the City’s RPS Enforcement Program are incorporated herein. Capitalized terms in this RPS Procurement Plan, as first identified in parentheses, shall have the meaning given to such term in the body of this RPS Procurement Plan.

### **Section 3: Adoption of the RPS Enforcement Program**

As required by PUC § 399.30, the City Council adopted an RPS policy that included both a program for the enforcement of the Renewables Portfolio Standard and a RPS procurement plan on December 13, 2011, through Resolution CC 11-85. In conjunction with the adoption of this updated Procurement Plan, the City adopts an updated RPS Enforcement Program. Together, these documents replace Resolution CC 11-85.

### **Section 4: Specified RPS Procurement Targets**

In the RPS Enforcement Program, the City Council adopted general RPS procurement targets for each of the three compliance periods. Pursuant to PUC § 399.30(b) and (c), the City Council adopts and further specifies the RPS procurement targets, as follows:

#### Compliance Period 1

For the three-year period beginning January 1, 2011 and ending December 31, 2013, the City shall procure sufficient RPS-eligible resources to equal an average of 20 percent of retail sales. The City shall not be required to procure a specific quantity of RPS-eligible resources in any individual year during this compliance period.

#### Compliance Period 2

For the three-year period beginning January 1, 2014 and ending December 31, 2016, the City shall procure sufficient RPS-eligible resources to equal the sum of the following: (20 percent of 2014 retail sales) + (20 percent of 2015 retail sales) + (25 percent of 2016 retail sales). The City shall not be required to procure a specific quantity of RPS-eligible resources in any individual year during this compliance period.

### Compliance Period 3

For the four-year period beginning January 1, 2017 and ending December 31, 2020, the City shall procure sufficient RPS-eligible resources to equal the sum of the following: (27 percent of 2017 retail sales) + (29 percent of 2018 retail sales) + (31 percent of 2019 retail sales) + (33 percent of 2020 retail sales). The City shall not be required to procure a specific quantity of RPS-eligible resources in any individual year during this compliance period.

### Subsequent Annual Compliance Periods

For each subsequent annual compliance period, the City shall procure sufficient RPS-eligible resources to equal an average of 33 percent of retail sales.

## **Section 5: RPS Procurement Requirements**

PUC § 399.30(c)(3), consistent with PUC § 399.16, as implemented by the Energy Commission's RPS Regulations specifies certain procurement requirements that are applicable to "electricity products," which refers to either: (1) electricity and the associated renewable energy credit ("REC") generated by an eligible renewable energy resource; or (2) an unbundled REC.

### A. Procurement Associated with Pre-June 2010 Contracts and Ownership Agreements

Pursuant to PUC § 399.16(d), electricity products associated with contracts or ownership agreements that were executed prior to June 1, 2010 and which met certain specified eligibility requirements, must count toward the POU's RPS Procurement Targets without regard to the portfolio content categories ("PCCs").

### B. Procurement Associated with Post June 2010 Contracts and Ownership Agreements

Pursuant to PUC § 399.16(b)-(c), as implemented by the Energy Commission's RPS Regulations, electricity products associated with contracts or ownership agreements that were executed after June 1, 2010 must be classified into the following three PCCs:

- PCC1: Electricity products that are procured as bundled and that are associated with an eligible renewable energy resource that either: (1) has its first point on interconnection within a California balancing authority ("BA"); (2) has its first point of interconnection to a distribution system used to serve end users within a California BA; (3) is scheduled into a California BA without substituting electricity

from another source; or (4) is dynamically transferred into a California BA.

PCC2: Electricity products that are procured as bundled and that are associated with an eligible renewable energy resource that is located within the WECC but outside of a California BA, and for which the renewable energy is matched with an equal amount of incremental energy that is scheduled into a California BA.

PCC3: All electricity products that are associated with eligible renewable energy resources, but that do not meet the definition of PCC1 or PCC2.

C. Portfolio Balance Requirements Applicable to Procurement Associated with Post-June 2010 Contracts and Ownership Agreements

Pursuant to PUC § 399.16(c), as implemented by the Energy Commission’s RPS Regulations, the following portfolio balance requirements are applicable to all electricity products that are credited towards the RPS Procurement Quantity Requirements that are associated with contracts or ownership agreements executed after June 1, 2010:

	<b>Compliance Period 1</b>	<b>Compliance Period 2</b>	<b>Compliance Period 3</b>	<b>Subsequent Annual</b>
PCC1	≥ 50%	≥ 65%	≥ 75%	≥ 75%
PCC2	No Limitation	No Limitation	No Limitation	No Limitation
PCC3	≤ 25%	≤ 15%	≤ 10%	≤ 10%

**Section 6: Forecast of Retail Sales and RPS Compliance Obligations**

Compliance Period 1

January 1, 2011 – December 31, 2013

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total</b>
Actual/Forecasted Retail Sales (MWh)	176,989	177,813	180,000	534,802
RPS Procurement Obligation (% of total)				20%
RPS Procurement Obligation (MWh)				106,960

Compliance Period 2

January 1, 2013 – December 31, 2016

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Total</b>
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Forecasted Retail Sales (MWh)	171,250	182,590	183,959	537,799
RPS Procurement Obligation (% of total)	20%	20%	25%	
RPS Procurement Obligation (MWh)				116,758

Compliance Period 3  
January 1, 2017 – December 31, 2020

	2017	2018	2019	2020	Total
Forecasted Retail Sales (MWh)	185,357	176,785	188,244	189,734	740,120
RPS Procurement Obligation (% of total)	27%	29%	31%	33%	
RPS Procurement Obligation (MWh)					222,282

**Section 7: RPS Procurement**

A. RPS Contracts Executed Prior to June 1, 2010

The City entered into various contracts prior to June 1, 2010 that are eligible renewable resources and that meet the requirements specified in PUC § 399.16(d). These contracts are summarized in the following table:

Counter Party	Resource Name	Tech. Type	Execution Date	Term	CP1 Forecasted Generation
Western Area Power Administration	Central Valley Project	Small Hydro	Nov. 14, 2000	25 years	2,143 MWh
City of Redding	Whiskeytown Small Hydro	Small Hydro	Aug. 21, 2007	10 year	52,608 MWh

B. RPS Contracts Executed After to June 1, 2010

In a good faith attempt to comply with the requirements of the RPS, the City entered into a contract for unbundled RECs to cover a portion of its Compliance Period 1 obligations. Unbundled RECs are the most cost effective and administratively simple mechanism for procuring renewable generation.

Counter Party	Resource Name	Tech. Type	Execution Date	Term	CP1 Forecasted Generation
3Degrees Group Inc.	White Creek Wind 1, WA	RECs - Wind	Nov. 10, 2011	1 year	25,000 MWh
Karbone, Inc	Biomass One, LP, OR	RECs - Biomass	May 21, 2013	1 year	25,000 MWh

C. Planned RPS Procurement

The City is currently seeking out additional renewable energy contracts and fully expects that it will secure sufficient resources to meet its Compliance Period 2 procurement quantity targets.

**Section 8: Banking Rules**

Pursuant to PUC § 399.30(d)(1), and consistent with Section 8 of the RPS Enforcement Program, the City Council adopts the following rules for excess procurement:

- A. The City may apply excess procurement in one compliance period to a subsequent compliance period, subject to the following limitations:
  - 1. Electricity products that exceed the maximum limit for PCC3, as specified in PUC § 399.16(c), must be subtracted from the calculation of excess procurement.
  - 2. Electricity products procured under contracts of less than 10 years in duration shall be subtracted from the calculation of excess procurement, unless the electricity product meets the grandfathering requirements of PUC § 399.16(d).
- B. The City may begin accruing excess procurement as of January 1, 2011.
- C. Excess procurement meeting these requirements may be applied to any future compliance period and shall not expire.

**Section 9: Delay of Timely Compliance**

Pursuant to the authority granted to the City Council by PUC § 399.30(d)(2) to adopt conditions that allow for delaying timely compliance consistent with PUC § 399.15, and consistent with Section 3206(a)(2) of the CEC Regulations, the City Council adopts the following rule:

- A. Enforcement of timely compliance shall be waived if the City Council makes a finding that a condition beyond the City’s control will prevent timely compliance, and City would have met its RPS procurement requirements but for the cause of delay. Such a finding shall be limited to one of the following conditions:

1. **Inadequate Transmission Capacity:** The City Council interprets this to mean the inability to bring eligible renewable resources into the control area due to transmission limitations. This includes instance where transmission outages may prevent renewable energy from entering into the market.
  
2. **Permitting, interconnection, or other circumstances that delay procured renewable energy resource projects or insufficient supply of eligible renewable energy resources:** The City Council interprets this to include, but not be limited to, the following examples:
  - a. **Development:** The renewable resource developers' inability to obtain financing, permits, lack interconnection abilities, or rights to build the project. This also includes the utilities inability to provide financing for a project.
  
  - b. **Operation:** Any unforeseen circumstances preventing the renewable resource from being developed or delaying output. This includes outages at the renewable energy facility. For example, if there is a drought, transmission outages or facility outages will prevent resources from delivering energy into the control area.
  
  - c. **Regulatory Delays:** Instances where state agencies delay timely requests, by the City, for registering renewable resources, certifying renewable resources, and accepting renewable resources into its renewable portfolio. In addition, these also include changes to state mandates, which may lead to a delay in compliance.
  
3. **Unanticipated curtailment to address needs of a balancing authority:** The City Council interprets this to include the Balancing Authority of Northern California (BANC) directing a renewable resource to modify their energy obligations, due to the needs of the balancing authority. This may cause the City to be short of compliance for a certain period. The City Council has the authority to waive the City's compliance for these types of situations.

## **Section 10: Adoption of Cost Limitation**

### **A. Cost Limitation Rule**

Pursuant to PUC § 399.30(d)(3), and consistent with Section 9 of the RPS Enforcement Program, the City Council shall rely on the following information to establish a limitation on the procurement expenditures for all RPS-eligible resources:

1. The information contained in this RPS Procurement Plan.

2. Procurement expenditures that approximate the expected cost of building, owning, and operating eligible renewable energy resources.
3. The potential that some planned resource additions may be delayed or canceled.

In developing the cost limitation, the City Council shall ensure that:

1. The limitation is set at a level that prevents disproportionate rate impacts.
2. The costs of all procurement credited toward achieving the renewables portfolio standard are counted towards the limitation.
3. Procurement expenditures do not include any indirect expenses, including imbalance energy charges, sale of excess energy, decreased generation from existing resources, transmission upgrades, or the costs associated with relicensing any utility-owned hydroelectric facilities.

If the cost limitation is insufficient to support the projected costs of meeting the City’s RPS targets, as specified in Section 6 above, the City may refrain from executing any further contracts for eligible renewable energy resources.

**B. Procurement Expenditures Counted Towards the City’s Cost Limitation**

The City shall count towards its cost limitation all direct costs associated with the procurement of electricity products pursuant to the contracts identified in Section 7 above. For a bundled contract, this includes the dollars per MWh price associated with the procurement of electricity and the associated REC, as identified in the contract. For an unbundled contract, this includes the dollars per REC price, as identified in the contract.

**C. Relevant Factors**

To determine what cost limitation is necessary to prevent disproportionate rate impacts, the City Council has considered the following factors:

1. **Local Economy:** Shasta County suffers from chronically high unemployment, exceeding the state average by a significant amount in each of the last five years:

		2008	2009	2010	2011	2012
<b>Unemployment Rate</b>	<b>Shasta</b>	10.0%	14.6%	15.8%	14.9%	13.4% <sup>1</sup>
	<b>State</b>	7.2%	11.3%	12.4%	11.8%	10.5%

According to the 2010 Census Shasta Lake has a population of approximately 10,081. Additionally, the Census also reveals the median

<sup>1</sup> Based on data obtained from the California Employment Development Department website: <http://www.labormarketinfo.edd.ca.gov/>.

household income in Shasta Lake is \$43,895, compared to the state average of \$61,632. Shasta Lake by most State and Federal definitions is considered a “Disadvantaged Community” with a median household income less than 80 percent of the statewide average.

Due to the local economy, the City’s ratepayers are disproportionately impacted by increases in electric rates both because high rates threaten the viability of local businesses and because economically vulnerable ratepayers are impacted to a greater degree by increased electric rates.

2. **Customer Base:** Unlike most other POUs in the state, the City does not have a diversified customer base. Instead, the City has a single industrial customer that accounts for over half of all retail sales. The remainder of the City’s customers are primarily residential customers. The nature of the City’s customer base limits the City’s flexibility in allocating rate increases across the City’s customers.
3. **Financial Stability:** In 2011, Moody’s Investor Service downgraded the City of Shasta Lake’s Electric Enterprise revenue debt rating from A3 to A2. In response, the City has undertaken many steps to improve its financial situation, including implementing strict expenditure reductions and adopting multiple rate increases. The City adopted an 8.17% rate increase, effective April 15, 2011, a 4.9% rate increase, effective in March 2013, a 3.2% rate increase effective January 2014. In light of these recent rate increases, additional increases in rates will disproportionately impact the City’s customers.
4. **Utility Size:** The City is one of the smallest POUs in the state. The City’s retail sales are less than .1% of the retail sales of the Los Angeles Department of Water and Power (“LADWP”), the state’s largest municipal electric utility. The small size of the City poses additional challenges due to both the administrative burden of complying with the complex RPS regulations and limited options for developing or contracting for renewable generation.

#### D. Relevant Findings

In light of the factors considered above, the City Council makes the following findings regarding the necessary structure and methodology to set the cost limitation at a level that avoids disproportionate rate impacts:

1. The City’s cost limitation must be set at a level that avoids further harm to the local economy.
2. Due to the County’s high unemployment rate, the City’s cost limitation must be set at a level that avoids harm to local businesses and limits further harm to economically vulnerable customers.

3. The City's cost limitation must be structured so that it does not overly burden any one customer class.
4. The City's cost limitation must be set at a level that avoids any long-term threat to the City's financial stability and allows the City to continue its current actions to improve the City's financial situation.
5. The City's cost limitation must consider the compound effect that any increase in rates associated with the procurement of renewables would have when considering recent and future planned existing rate increases necessary to meet the City's fiscal goals.

D. Adoption of Methodology for Calculating Cost Limitation

In reliance on the information, factors, and findings specified above, the City Council determines that in order to avoid disproportionate rate impacts for Compliance Period 1:

1. The per kWh cost of any individual RPS procurement cannot exceed 200% of the price of the City's Western Area Base Resource Allocation as measured over an annual period.
2. RPS Procurement Expenditures shall not exceed 10% of gross annual retail sales.

If the Electric Utility Director anticipates that the City's RPS procurement expenditures may exceed the cost limitation Amount specific above, the Electric Utility Director shall:

1. Notify the City Manager and City Council that the City's cost limitation may be reached.
2. Identify actions that the City should take in response to RPS procurement expenditures exceeding the cost limitation.

E. Adoption of Cost Limitation for Compliance Period 1

Pursuant to the methodology for calculating the cost limitation, established above, the cost limitation for Compliance Period 1 is determined to be \$4.5 million. For the first compliance period, the City is not obligated to expend any funds on RPS procurement in excess of the amount identified.

Based on City's actual and forecasted procurement expenditures for Compliance Period 1, the Electric Utility Director has determined that the City's RPS procurement expenditures have already exceeded the cost limitation amount identified above. Therefore, the City has no further obligation to procure renewable resources for purposes of meeting the Compliance Period 1 obligations.

Consistent with the recommendation of the Electric Utility Manager, the City Council directs the City to take the following action in response to RPS procurement expenditures exceeding the cost limitation:

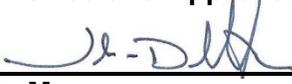
1. Pursue and execute additional contracts for renewable energy resources at a cost that does not result in disproportionate rate impacts to the City's customers.
2. Evaluate whether City-owned renewable energy resources can be developed at a cost that does not result in disproportionate rate impacts to the City's customers.

DRAFT



Report and Recommendations  
Reviewed and Approved

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City Manager

**STAFF REPORT**  
**City Council Meeting**

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**TO:** John N. Duckett, Jr., City Manager  
**FROM:** Tom Miller, Electric Utility Director  
**DATE:** December 10, 2013  
**SUBJECT:** Purchase Power Arrangements for 2014

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The staff has completed the annual procurement process for the purchase of energy for 2014. A significant change in 2014's purchase power portfolio is additional renewable energy to meet the required second compliance period of 25% renewable energy. Also in 2013, the City felt the financial hardship of the State's Cap and Trade program. Staff believes the best way to mitigate CO2 emissions is to increase the City's renewable portfolio of purchase power. For 2014, staff will increase the renewable energy component from 2 MW of firm power to 5 MW. To accomplish this task, several other purchases and existing contracts are affected, including the transmission delivery mechanisms.

During 2013, staff spent time researching and pricing various renewable energy projects to meet the new RPS requirement. Staff along with City Council's ad-hoc committee(s) looked carefully at two specific biomass projects. Both biomass projects provided positive attributes yet both provided transmission delivery challenges. The City's current delivery contracts and regulatory liability concerns created hurdles that impacted the overall delivered product price. As discussed at a previous Council meeting, the Nippon Paper renewable product was competitively priced with a 6-year term. However, it was a difficult but necessary decision to let this project pass by. In moving forward, the City was able to procure a 1-year deal with Shell Energy North America to meet our 2014 mandated requirements.

Below is a summary of the 2014 arrangements:

- (Existing) Western Area Power Administration Base Resource Allocation (Energy only)
- (New) Shell Energy North America Renewable Energy (5 MW or 43,800 MWhs)
- (Existing) Shell Energy North America System Energy (16 MW – firm capacity and energy)
- (Existing) Redding Electric Utility transmission service (16 MW – firm capacity)
- (Existing) Redding Electric Utility Supplemental Energy service (11 MW – firm capacity)
- (Existing) Redding Electric Utility Load balancing and scheduling service (firm and shape to load as needed)

Included in these arrangements is an additional 1 MW of new capacity and energy for the industrial account(s). The estimated value of these transactions is approximately \$12.3 million up \$600,000 over 2013.



Report and Recommendations  
Reviewed and Approved

6.1

City Manager

**AGENDA ITEM**  
**City Council**

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**TO:** John Duckett, City Manager

**FROM:** Fred Castagna, Project Manager

**DATE:** December 3, 2013

**SUBJECT:** Proposed increase of cleaning deposit for rental of the Community Center.

**FILE NO.:**

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**RECOMMENDATION:**

Staff recommends the City Council approve a resolution to increase the refundable cleaning deposit fee for renters of the John Beaudet Community Center from \$150 to \$500 for renters who serve alcohol at their events. Staff also recommends an exemption from this fee increase for non-profit organizations holding meetings, fund raisers, or charity events. Any events which offer alcohol for sale must provide the City with a State Alcoholic Beverage Control permit for the event.

**BACKGROUND:**

Pursuant to Municipal Code Section 12.08, fees for use of public parks and facilities may be established or changed by the City Council by resolution upon recommendation by the Parks and Recreation Advisory Commission. This includes establishment of a refundable cleaning deposit made by renters of the facilities. The cleaning deposit is returned to the renter of the Community Center upon verification that the building was left clean and the key is returned. The current cleaning deposit of \$150 for renting the Community Center was established in 1999 and is no longer adequate, in some cases, to pay for cleaning the building if the renters do not clean up after their event.

Experience has shown that private party renters who serve alcohol to guests often do not adequately clean up the building. At times a portion of the deposit is retained by the City to pay for cleanup, property damage, or theft. City staff or Senior Nutrition Program personnel are forced to clean up prior to the arrival of the seniors who show up for morning meals or next renter on the weekend. Actual costs for staff time, replacements, and repairs are charged against the deposit. Any balance is then returned to the renter along with a letter detailing the mess and/or damage or theft. In the worst cases, renters simply forgo any attempt to clean the building or to mitigate the damage. They would rather forfeit the \$150 deposit rather than go through the trouble of cleaning up after themselves.

In my 7 years of managing the Community Center, I have never had a cleaning, damage, or theft problem which resulted in charges exceeding the current \$150 deposit from a renter who did not serve alcohol. Likewise, we have never had a problem with non-profit fund raising events which do

serve alcohol. These include such events as the Chamber of Commerce Mixer and the Damboree Car Show and Cruise. On the other hand, we have had at least 5 or 6 alcohol related events which required more than \$150 worth of staff time or repairs to mitigate.

It is staff's expectation that increasing the fee for alcohol events will provide a stronger incentive for sponsors to monitor their guests and properly clean up the building. It will also provide the funds needed for clean up and damage repairs in extreme cases. In addition, it may deter renters who plan in advance to leave a mess from renting the facility in the first place.

The Parks and Recreation Commission met on December 10, 2013 to discuss this matter and approved the recommendation for the increase in the cleaning deposit.

**FISCAL IMPACTS:**

Provides additional funds for clean up, repair, or replacements at the Community Center.

**DISTRIBUTION:**

City Council  
Parks and Recreation Commission

**RESOLUTION CC 13-**

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**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHASTA LAKE APPROVING AN INCREASE IN THE CLEANING DEPOSIT FOR RENTAL OF THE JOHN BEAUDET COMMUNITY CENTER FROM \$150 TO \$500 FOR EVENTS AT WHICH ALCOHOL IS SERVED**

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**WHEREAS**, Municipal Code Section 12.08.040 provides that the City Council may set or increase use fees for municipal facilities upon recommendation by the City's Parks and Recreation Commission; and

**WHEREAS**, the City of Shasta Lake rents the John Beaudet Community Center to both private and non-profit groups for various types of functions; and

**WHEREAS**, the renters of the facility are required to pay a deposit which is refundable if the building is left in a clean condition with no items stolen, or property damaged; and

**WHEREAS**, cleanup, repairs and replacements are charged against the deposit at actual cost, with any balance being returned to the renter; and

**WHEREAS**, the refundable cleaning deposit of \$150 by renters of the John Beaudet Community Center has proved to be inadequate to cover the costs of cleanup, repairs, or replacement of stolen items for some events at which alcohol is served; and

**WHEREAS**, a refundable cleaning deposit of \$500 for private parties at which alcohol is served is deemed to be reasonable; and

**WHEREAS**, events at which alcohol is served that are sponsored by non-profit organizations holding meetings, fundraisers, and charitable events have at no time caused cleanup, repair, or replacement costs which exceed the current \$150 cleaning deposit.

**WHEREAS**, the Parks and Recreation Commission met on December 10, 2013, and voted to approve the recommendation for the following changes in cleaning deposit fees.

**NOW, THEREFORE, BE IT RESOLVED that the current refundable cleaning deposit of \$150 charged to renters of the John Beaudet Community Center shall be raised to \$500 for any event at which alcohol is served, with the exception of non-profit renters holding meetings, fundraisers, or charity events.**

**PASSED, APPROVED AND ADOPTED** this 17th day of December, 2013 by the following vote:

**AYES:  
NOES:  
ABSENT:**

\_\_\_\_\_  
**PAMELYN MORGAN, Mayor**

**ATTEST:**

\_\_\_\_\_  
**TONI M. COATES, CMC**  
City Clerk



Report  
Reviewed and Approved

6.2

City Manager

**AGENDA ITEM  
CITY COUNCIL**

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**TO:** John Duckett, City Manager

**FROM:** Fred Castagna, Project Manager

**DATE:** December 5, 2013

**SUBJECT:** Consideration of Resolution of the Shasta Lake City Council & the Successor Agency to the Shasta Lake Redevelopment Agency approving submittal by the Successor Agency of the Long Range Property Management Plan as revised December 2, 2013

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**RECOMMENDATION:**

Staff recommends that the City Council approve the Long Range Property Management Plan (PMP) as revised December 2, 2013. The revision allows the Successor Agency to retain ownership of parcels 6-9 in the PMP for a future sale with a reservation by the City of to the right to seek reimbursement for all bond payments previously made by the City. Staff believes these properties are a liability rather than an asset to the City.

**DISCUSSION:**

Pursuant to Health and Safety Code section 34191.5, the Oversight Board approved the PMP which was subsequently submitted to the Department of Finance (DOF) for final approval. The PMP requires the Successor Agency to identify all properties in which title was held by the Redevelopment Agency (RDA). On September 20, 2013 the DOF rejected the plan as submitted. In its letter of rejection (attached), the DOF stated that the PMP was deficient because it was not specific regarding the intended future use or disposition of properties 6-9. Parcels 6 and 7 are two ready to build lots in the City's Industrial Park. Parcels 8 and 9 are undeveloped vacant land designated for use as expansion area for the Industrial Park along with a public road.

Parcels 6-9 were not purchased with tax increment funds. They were, however, transferred to the RDA in 1998 at no cost to allow that agency to market the parcels. It could be argued that the City has a claim to title on the properties. However, In order to comply with current state law, the Successor Agency must either market the properties and distribute the proceeds to the Redevelopment Property Tax Trust Fund for eventual distribution to the taxing entities or cause the City to execute a compensation agreement with the taxing entities to, in effect, purchase the property for the City. Approval of the PMP as revised will allow the Successor Agency to market the property for the benefit of the taxing entities rather than attempting to retain ownership by the City through a title claim or a compensation agreement. Even though no tax increment

funds were spent to purchase these properties or to pay bond obligations, staff believes it is better for the City to allow the Successor Agency to retain ownership and assume the obligations for the properties. By allowing the Successor Agency to retain ownership of the parcels, the City will realize a savings to the General Fund and the Wastewater Fund totaling over \$81,000 per year.

The reasoning for this conclusion follows. First, the net equities in the properties are not large, and one parcel actually has a negative net value (see pages 9-12 of the attached PMP). Second, leaving the ownership with the Successor Agency will ensure all future bond payments are made from the Trust Fund instead of by the City. This proposal will save the City approximately \$81,000 each year. In less than two years, the potential loss to the City of the proceeds from any sales will be more than offset by these savings.

All four properties are encumbered by either development bonds or wastewater bonds. In addition to the bond encumbrances, the general fund has made the payments on the development bonds for properties 6 & 7 since 1993 and the wastewater rate payers have carried the cost of the wastewater bond payments since 1995. See the table below.

Property No.	Assessor Parcel Numbers	Wastewater Bond Prin/Int Payments	Remaining Prin Balance	Development Bond Prin/Int Payments	Remaining Balance
6	064-150-068-000	\$40,838	\$58,002	NA	NA
7	064-160-007-000	\$440,934	\$626,237	NA	NA
8	064-440-010-000	\$53,476	\$0	\$42,605	\$65,740
9	064-440-015-000	\$53,476	\$0	\$39,241	\$60,550
Totals		\$588,724	\$684,239	\$81,846	\$121,290

Today, the staff is seeking approval of the revised PMP which contains an affirmative statement to market the four properties for the benefit of the taxing agencies. After conferring with the City Attorney and our redevelopment consultant, Jim Simon of RSG, staff has concluded that it is in the best interest of the city to allow the Successor Agency to market the properties for the benefit of the taxing entities.

The last industrial property which was sold and developed in the City of Shasta Lake was the Fresenius project in our industrial park in 2006. Therefore, it is not likely that these properties will sell in the immediate future and the City will benefit from not having to pay the bond payments each year. However, if the properties do sell, it will still be a benefit to the City to have industrial development in our community.

The resolution below contains language which states that the City of Shasta Lake, by approving submittal of this PMP, does not waive any future rights to seek compensation for the bond payments made in the past by the rate payers and citizens of the City.

**FISCAL IMPACT:**

Approximately \$81,000 per year in debt relief

**ATTACHMENTS:**

- Resolution
- Long Range Property Management Plan as revised December 2, 2013
- Letter from Department of Finance dated September 20, 2013

RESOLUTION NO. \_\_\_\_\_

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**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHASTA LAKE APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN AS REVISED DECEMBER 2, 2013**

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**WHEREAS**, the Oversight Board of the Successor Agency to the Shasta Lake Redevelopment Agency ("Oversight Board") has been established to direct the Successor Agency to the Shasta Lake Redevelopment Agency ("Successor Agency") to take certain actions to wind down the affairs of the Redevelopment Agency (RDA) including submittal of a Long Range Property Management Plan (PMP) to the Department of Finance; and

**WHEREAS**, the Oversight Board approved a PMP which was submitted to the state Department of Finance on April 25, 2013; and

**WHEREAS**, that PMP contained language reserving title to Parcels 6, 7, 8, and 9, as described in the plan, to the City of Shasta Lake; and

**WHEREAS**, the Department of Finance subsequently found that PMP to be deficient as stated in a letter from that agency dated September 20, 2013; and

**WHEREAS**, the revised PMP now provides for ownership to remain with the Successor Agency, which will be responsible for payments on bonds which lien the properties, thereby relieving the City of more than \$81,000 in annual payments; now therefore be it resolved

**NOW THEREFORE, BE IT RESOLVED** THAT HE CITY OF SHASTA LAKE HEREBY APPROVES THE LONG RANGE PROPERTY MANAGEMENT PLAN AS REVISED ON DECEMBER 2, 2013 AND RESERVES FOR ITSELF, ON BEHALF OF BY THE CITIZENS AND RATE PAYERS OF THE CITY OF SHASTA LAKE, THE RIGHT TO CLAIM FROM THE REDEVELOPMENT PROPERTY TAX TRUST FUND ALL AMOUNTS PREVIOUSLY PAID FOR BOND REPAYMENT WHICH REDUCED LEINS ON THE PROPERTIES.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of Shasta Lake, on the 17<sup>th</sup> day of December, 2013, by the following vote:

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

\_\_\_\_\_  
**PAMELYN MORGAN, Mayor**

**ATTEST:**

\_\_\_\_\_  
**TONI COATES, CMC, City Clerk**

**RESOLUTION CC-SA-13-**

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**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE SHASTA LAKE REDEVELOPMENT AGENCY APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN AS REVISED DECEMBER 2, 2013**

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**WHEREAS**, the Successor Agency to the Shasta Lake Redevelopment Agency (“Successor Agency”) is charged with taking certain actions to wind down the affairs of the Redevelopment Agency (RDA) including submittal of a Long Range Property Management Plan (PMP) to the Department of Finance; and

**WHEREAS**, the Successor Agency and the Oversight Board approved a PMP which was submitted to the state Department of Finance on April 25, 2013; and

**WHEREAS**, the Department of Finance subsequently found that PMP to be deficient as stated in a letter from that agency dated September 20, 2013; and

**WHEREAS**, Successor Agency staff have made certain revisions to the PMP to bring it into compliance with Department of Finance requirements.

**NOW, THEREFORE, BE IT RESOLVED** THAT THE SUCCESSOR AGENCY TO THE SHASTA LAKE REDEVELOPMENT AGENCY HEREBY APPROVES THE LONG RANGE PROPERTY MANAGEMENT PLAN AS REVISED ON DECEMBER 2, 2013 AND DIRECTS STAFF TO SUBMIT IT FOR APPROVAL TO THE OVERSIGHT BOARD.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the Successor Agency, on the 17<sup>th</sup> day of December, 2013, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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**PAMELYN MORGAN, Chair**

**ATTEST:**

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**TONI M.COATES, CMC**  
**Secretary of the Successor Agency**

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# LONG-RANGE PROPERTY MANAGEMENT PLAN

City of Shasta Lake  
Successor Agency



April 10, 2013

(Revised December 2, 2013)

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## LEGAL REQUIREMENT

Pursuant to Health and Safety Code section 34191.5, within six months after receiving a Finding of Completion from the Department of Finance (“DOF”), each Successor Agency is required to submit for approval to the Oversight Board and DOF, a Long-Range Property Management Plan (“PMP”) that addresses the disposition and use of the real properties of the former redevelopment agency.

The LRPMP shall do all the following:

1. Include an inventory of all properties in the Community Redevelopment Property Trust Fund (“Trust”), which was established to serve as the repository of the former redevelopment agency’s real properties. The inventory shall consist of all of the following information:
  - a. The date of acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.
  - b. The purpose for which the property was acquired.
  - c. Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.
  - d. An estimate of the current value of the parcel including, if available, any appraisal information.
  - e. An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.
  - f. The history of environmental contamination, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.
  - g. A description of the property’s potential for transit-oriented development and the advancement of the planning objectives of the successor agency
  - h. A brief history of previous development proposal and activity, including the rental or lease of property.
2. Address the use or disposition of all the properties in the Community Redevelopment Property Trust Fund. Permissible uses include 1) the retention of the property for governmental use pursuant to subdivision (a) of Section 34181, 2) the retention of property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.
3. The Plan shall separately identify and list properties in the Trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all the following shall apply:
  - a. If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.
  - b. If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in the bullet directly above, the proceeds from the sale shall be distributed as property tax to the taxing entities.

- c. Property shall not be transferred to a successor agency, city, county, or city and county, unless the PMP has been approved by the Oversight Board and DOF.

## PROPERTY DESCRIPTION SUMMARY

The former Shasta Lake Redevelopment Agency owns nine non-housing properties. The nine properties are grouped into three property sites, as summarized below and described in greater detail in the Property Inventory section that follows.

### Properties No. 1, 2, 3, 4



These four properties located at Shasta Dam Blvd. and Shasta Way, totaling approximately 11.3 acres, were identified in 1995 by the Redevelopment Agency as a potential commercial project. The purpose was to redevelop blighted properties into a parcel large enough to attract a commercial developer who would build a shopping center on the property. Since that time, the properties have been marketed several times for commercial development. On three separate occasions, the Redevelopment Agency advertised for proposals and began negotiations with different developers each time. Unfortunately for a variety of reasons detailed in the property inventory, the development of these properties was never brought to fruition. The Successor Agency at this time recommends that these properties be marketed together for commercial development with proceeds from the sale of the properties going to the taxing agencies. In the marketing and selection of potential buyers, it is the objective and intent of the Successor Agency and Oversight Board to obtain clear information on the capability of potential bidders for reuse properties not only to acquire, but to develop expeditiously, for development that maximizes the value of the properties and benefits the affected taxing agencies.

## Property No. 5



This property, located at 1684 Cascade Blvd., is approximately 0.1 acres and is used as a gateway monument sign for the City of Shasta Lake. The Successor Agency is recommending that this property be transferred to the City of Shasta Lake, and that the use of the property remain a governmental use as a gateway monument sign.

Properties No. 6, 7, 8, 9



These four properties, totaling approximately 181 acres, were originally owned by the Shasta Dam Public Utility District. Upon incorporation of the City of Shasta Lake in 1993 all PUD properties were transferred to the City. In 1998, the City transferred these four properties to the Redevelopment Agency at no cost to allow the Agency to proceed with the sale and development of the parcels. Property Nos. 6 and 7 are vacant land that have been held for future industrial park expansion, and to provide a secondary access for the existing industrial park. Properties 8 and 9 are vacant sites that have been offered for sale in an improved business park. They have been offered for sale at \$35,500 per acre. The sales price offered includes the assumption or pay off of development bonds by the buyer.

Properties 8 and 9 were encumbered by a development bond on April 9, 1993. All four properties were encumbered by a wastewater bond on April 11, 1995. Principal and interest payments on those bonds have been made by the ratepayers of the City of Shasta Lake through the City's General and Wastewater Funds. Below is a summary of bond payments and balances.

Summary of Bond Payments and Approximate Balances for Properties 6-9

Property No.	Assessor Parcel Numbers	Wastewater Bond Prin/Int Payments	Remaining Prin Balance	Development Bond Prin/Int Payments	Remaining Balance
6	064-150-068-000	\$40,838	\$58,002	NA	NA
7	064-160-007-000	\$440,934	\$626,237	NA	NA
8	064-440-010-000	\$53,476	\$0	\$42,605	\$65,740
9	064-440-015-000	\$53,476	\$0	\$39,241	\$60,550
Totals		\$588,724	\$684,239	\$81,846	\$121,290

## PROPERTY INVENTORY

### Property No. 1

Parcel Number	007 380 037 000
Address	1429 Hillcrest Street
Lot Size	1.5 acres
Property Type	Commercial
Zoning	Commercial Planned Development
Date of Acquisition	6/30/1997
Value of Property at time of acquisition	\$21,000
Estimated current property value	\$45,000
Original Purpose of acquisition	Commercial development
Estimated income/revenue	None
Contractual obligations for income/revenue	None
Environmental contamination	None
Potential for TOD	None
Advancement of planning objectives of Successor Agency	As part of its duties and objectives when formed, the Successor Agency is charged with liquidating redevelopment assets and transferring proceeds from the sale of those assets to local taxing entities, as well as continuing to oversee development of properties. It is their objective in the disposition of this property that the Successor Agency and Oversight Board obtain clear information on the capability of potential bidders for reuse properties not only to acquire, but to develop expeditiously, for development that maximizes the value of the properties and benefits the affected taxing agencies.
History of previous development proposals and activity	<p>In conjunction with properties 2, 3, and 4 totaling approximately 11.3 acres, these properties were identified in 1995 by the Redevelopment Agency as a potential project to attract a commercial developer who would build a shopping center and possibly a hotel on the property. The RDA advertised for proposals from developers on three separate occasions in 1996, 1997 and 2007.</p> <p><b>Voit Development</b>            In October of 1996 the RDA and Voit Development came to agreement to sell the property to Voit for commercial development. During the next year it became apparent to Voit that they could not complete the terms of the agreement as originally stated. On January 28, 1997 Voit proposed major changes in the agreement. These were rejected by the RDA on March 19, 1997. The property was never transferred to Voit and the relationship with the RDA was terminated at that time.</p>

	<p><b>Shasta Gateway Development Group, LLC. (SGDG)</b>  On April 3, 1997 the RDA entered into a development agreement with SGDG. The developer paid \$1,000,000 to the RDA which was used to complete the purchase of the properties from the original owners and to pay for relocation costs. Another \$1.03 million was to be paid within 24 months of the date of the agreement. When the developer could not secure an anchor tenant and proceed with development, the RDA extended the requirement for the second payment for an additional 24 months by way of an amendment on February 12, 1999. Eventually, SGDG notified the RDA that it would not be able to fulfill the terms of the agreement and requested a return of its \$1 million investment. SGDG blamed the City and the RDA for misrepresenting the potential for development of the property. A lawsuit followed which finally ended in a settlement agreement signed by the parties on July 22, 2004. In that agreement the RDA returned \$1 million and allowed SGDG to keep .81 acres of the land for resale. That parcel was sold to a private party for a future Subway Sandwich shop, but remains undeveloped.</p> <p><b>Lewis Pipgras, Inc (Pipgras)</b>  In November of 2007 the RDA solicited proposals from commercial developers for development of the property. The asking price was \$2.225 million with a \$100,000 good faith deposit. After reviewing the offers, a committee of staff selected Pipgras as the developer. Staff opened negotiations with Pipgras who wanted a 90 day due diligence period before signing the development agreement and paying the good faith deposit. The RDA agreed to the 90 day period in order to avoid a repeat of the contentious agreements in previous attempts to market the property. This period was the beginning of the commercial real estate crash and Pipgras could garner no interest from anchor tenants. They eventually bowed out of the arrangement and the RDA received no interest from other developers who had participated in the proposal process.</p>
Use or disposition of property	Market properties (No. 1, 2, 3, 4) together for commercial development with proceeds from the sale of the properties going to the taxing agencies.

**Property No. 2**

Parcel Number	007 380 051 000
Address	Cascade Blvd. and Shasta Dam Blvd.
Lot Size	6.2 acres
Property Type	Commercial

Zoning	Commercial Planned Development
Date of Acquisition	8/12/2004
Value of Property at time of acquisition	\$141,400
Estimated current property value	\$600,000
Original Purpose of acquisition	Commercial development
Estimated income/revenue	None
Contractual obligations for income/revenue	None
Environmental contamination	None
Potential for TOD	None
Advancement of planning objectives of Successor Agency	As part of its duties and objectives when formed, the Successor Agency is charged with liquidating redevelopment assets and transferring proceeds from the sale of those assets to local taxing entities, as well as continuing to oversee development of properties. It is their objective in the disposition of this property that the Successor Agency and Oversight Board obtain clear information on the capability of potential bidders for reuse properties not only to acquire, but to develop expeditiously, for development that maximizes the value of the properties and benefits the affected taxing agencies.
History of previous development proposals and activity	See description for Property No. 1.
Use or disposition of property	Market properties (No. 1, 2, 3, 4) together for commercial development with proceeds from the sale of the properties going to the taxing agencies.

### Property No. 3

Parcel Number	007 380 052 000
Address	Cascade Blvd. and Shasta Dam Blvd.
Lot Size	3.5 acres
Property Type	Commercial
Zoning	Commercial Planned Development
Date of Acquisition	8/12/2004
Value of Property at time of acquisition	\$79,200
Estimated current property value	\$250,000
Original Purpose of acquisition	Commercial development
Estimated income/revenue	None
Contractual obligations for income/revenue	None
Environmental contamination	None
Potential for TOD	None
Advancement of planning objectives of Successor Agency	As part of its duties and objectives when formed, the Successor Agency is charged with liquidating redevelopment assets and transferring proceeds from the sale of those assets to local taxing entities, as well as continuing to oversee development of properties. It is their objective in the disposition of this property that the Successor Agency and Oversight Board obtain clear information on the capability of potential bidders for reuse properties not only to acquire, but to develop expeditiously, for development that

	maximizes the value of the properties and benefits the affected taxing agencies.
History of previous development proposals and activity	See description for Property No. 1.
Use or disposition of property	Market properties (No. 1, 2, 3, 4) together for commercial development with proceeds from the sale of the properties going to the taxing agencies.

#### Property No. 4

Parcel Number	007 380 053 000
Address	Cascade Blvd. and Shasta Dam Blvd.
Lot Size	0.1 acres
Property Type	Commercial
Zoning	Commercial Planned Development
Date of Acquisition	8/12/2004
Value of Property at time of acquisition	\$3,900
Estimated current property value	\$5,000
Original Purpose of acquisition	Commercial development
Estimated income/revenue	None
Contractual obligations for income/revenue	None
Environmental contamination	None
Potential for TOD	None
Advancement of planning objectives of Successor Agency	As part of its duties and objectives when formed, the Successor Agency is charged with liquidating redevelopment assets and transferring proceeds from the sale of those assets to local taxing entities, as well as continuing to oversee development of properties. It is their objective in the disposition of this property that the Successor Agency and Oversight Board obtain clear information on the capability of potential bidders for reuse properties not only to acquire, but to develop expeditiously, for development that maximizes the value of the properties and benefits the affected taxing agencies.
History of previous development proposals and activity	See description for Property No. 1.
Use or disposition of property	Market properties (No. 1, 2, 3, 4) together for commercial development with proceeds from the sale of the properties going to the taxing agencies.

#### Property No. 5

Parcel Number	007 120 020 000
Address	1684 Cascade Blvd.
Lot Size	0.1 acres
Property Type	City Park/Gateway Monument
Zoning	Commercial Planned Development
Date of Acquisition	8/25/1995
Value of Property at time of acquisition	\$2,200
Estimated current property value	n/a
Original Purpose of acquisition	Gateway monument sign.

Estimated income/revenue	None
Contractual obligations for income/revenue	None
Environmental contamination	None
Potential for TOD	None
Advancement of planning objectives of Successor Agency	As part of its duties, the Successor Agency will perform obligations required by the EOPS, maintain reserves, dispose of assets and property, and enforce all rights for the benefit of taxing agencies. Transferring this property from the Successor Agency to the City meets their objective of disposing of assets and property.
History of previous development proposals and activity	None
Use or disposition of property	Transfer the property to the City of Shasta Lake. The City to retain the property for continued governmental use as a gateway monument sign.

### Property No. 6

Parcel Number	064 150 068 000
Address	None
Lot Size	31.9 acres
Property Type	Industrial Park and City roadway
Zoning	Industrial Design Review (M-DR)
Date of Acquisition	4/29/1998
Value of Property at time of acquisition	\$0 (transferred at no cost to RDA)
Estimated current property value	\$ 73,500 Gross value - 58,002 Bond obligation \$15,498 Gross Equity
Original Purpose of acquisition	Originally owned by the Shasta Dam Public Utility District (PUD). Upon incorporation of the City of Shasta Lake in 1993, all PUD properties were subsequently transferred to the City. In 1998, the City transferred the property to the RDA, a portion to be used for sale to third parties for industrial development and a portion for governmental use as wastewater spray fields and city roadways.
Estimated income/revenue	None
Contractual obligations for income/revenue	<b>\$58,002 remaining principal balance on wastewater bond issued on April 11, 1995</b>
Environmental contamination	None
Potential for TOD	None
Advancement of planning objectives of Successor Agency	As part of its duties and objectives when formed, the Successor Agency is charged with liquidating redevelopment assets and transferring proceeds from the sale of those assets to local taxing entities, as well as continuing to oversee development of properties. It is their objective in the disposition of this property that the Successor Agency and Oversight Board obtain clear information on the capability of potential bidders for reuse properties not only to acquire, but to develop expeditiously, for development that maximizes the value of the properties and benefits the

	affected taxing agencies.
History of previous development proposals and activity	This property, with Property No. 7 are being used as vacant land being held for future industrial park expansion, a secondary public access roadway for the existing industrial park, and as a spray field for disposal of treated waste water produced b the City's treatment plant.
Use or disposition of property	Market the property for industrial development with any proceeds from the sale of the properties going to the taxing agencies.

### Property No. 7

Parcel Number	064 160 007 000
Address	None
Lot Size	142.2 acres
Property Type	Industrial Park and City roadway
Zoning	Industrial Design Review (M-DR)
Date of Acquisition	4/29/1998
Value of Property at time of acquisition	\$0 (transferred at no cost to RDA)
Estimated current property value	\$ 326,900 Gross value (assessed value) - 626,237 Bond obligation <b>&lt;\$300,230&gt; Gross Negative Equity</b>
Original Purpose of acquisition	Originally owned by the Shasta Dam Public Utility District (PUD). Upon incorporation of the City of Shasta Lake in 1992, all PUD properties were subsequently transferred to the City. In 1998, the City transferred the property to the RDA for sale and development.
Estimated income/revenue	<b>\$0</b>
Contractual obligations for income/revenue	<b>\$626,237 Principal balance on wastewater bonds issued April 11, 1995</b>
Environmental contamination	None
Potential for TOD	None
Advancement of planning objectives of Successor Agency	As part of its duties and objectives when formed, the Successor Agency is charged with liquidating redevelopment assets and transferring proceeds from the sale of those assets to local taxing entities, as well as continuing to oversee development of properties. It is their objective in the disposition of this property that the Successor Agency and Oversight Board obtain clear information on the capability of potential bidders for reuse properties not only to acquire, but to develop expeditiously, for development that maximizes the value of the properties and benefits the affected taxing agencies.
History of previous development proposals and activity	This property, with Property No. 6 are being used as vacant land being held for future industrial park expansion, a secondary access roadway for the existing industrial park, and as a spray field for disposal of treated waste water produced b the City's

	treatment plant.
Use or disposition of property	Market the property for industrial development with any proceeds from the sale of the properties going to the taxing agencies.

**Property No. 8**

Parcel Number	064 440 010 000
Address	None
Lot Size	3.6 acres
Property Type	Industrial
Zoning	Planned Development (SGIP-PD)
Date of Acquisition	7/2/1993
Value of Property at time of acquisition	\$0 (transferred at no cost to RDA)
Estimated current property value	\$ 127,800 Gross value (assessed value) - 65,740 Bond obligation \$ 62,060 Gross Equity
Original Purpose of acquisition	Originally owned by the Shasta Dam Public Utility District (PUD). Upon incorporation of the City of Shasta Lake in 1993, all PUD properties were subsequently transferred to the City. The City then transferred the property to the RDA for sale and development in 1998.
Estimated income/revenue	None
Contractual obligations for income/revenue	<b>\$65,740 Principal balance on development bonds issued April 9, 1993</b>
Environmental contamination	None
Potential for TOD	None
Advancement of planning objectives of Successor Agency	As part of its duties and objectives when formed, the Successor Agency is charged with liquidating redevelopment assets and transferring proceeds from the sale of those assets to local taxing entities, as well as continuing to oversee development of properties. It is their objective in the disposition of this property that the Successor Agency and Oversight Board obtain clear information on the capability of potential bidders for reuse properties not only to acquire, but to develop expeditiously, for development that maximizes the value of the properties and benefits the affected taxing agencies.
History of previous development proposals and activity	Together with Property No. 9, these parcels are vacant sites offered for sale in an improved industrial park. These two parcels have been offered for sale at \$35,500 per acre for more than 10 years with no consummated sales. The sales price includes the assumption or pay off of development bonds by the buyer. The bonds were issued in the early 1990's to pay for development of the park. The balance on the bond for this property is approximately \$65,740.
Use or disposition of property	Market the property for industrial development with any proceeds from the sale of the properties going to the taxing agencies.

**Property No. 9**

Parcel Number	064 440 015 000
Address	None
Lot Size	3.3 acres
Property Type	Industrial
Zoning	Planned Development (SGIP-PD)
Date of Acquisition	7/2/1993
Value of Property at time of acquisition	\$0 (transferred at no cost to RDA)
Estimated current property value	\$123,750 Gross value - 60,550 Bond obligation \$ 63,200 Gross equity
Original Purpose of acquisition	Originally owned by the Shasta Dam Public Utility District (PUD). Upon incorporation of the City of Shasta Lake in 1993, all PUD properties were subsequently transferred to the City. The City then transferred the property to the RDA for sale and development in 1998.
Estimated income/revenue	None
Contractual obligations for income/revenue	<b>\$60,550 Principal balance on development bonds issued April 9, 1993</b>
Environmental contamination	None
Potential for TOD	None
Advancement of planning objectives of Successor Agency	As part of its duties and objectives when formed, the Successor Agency is charged with liquidating redevelopment assets and transferring proceeds from the sale of those assets to local taxing entities, as well as continuing to oversee development of properties. It is their objective in the disposition of this property that the Successor Agency and Oversight Board obtain clear information on the capability of potential bidders for reuse properties not only to acquire, but to develop expeditiously, for development that maximizes the value of the properties and benefits the affected taxing agencies.
History of previous development proposals and activity	Together with Property No. 8, these parcels are vacant sites offered for sale in an improved industrial park. These two parcels have been offered for sale at \$35,500 per acre for more than 10 years with no consummated sales. The sales price includes the assumption or pay off of development bonds by the buyer. The bonds were issued in the early 1990's to pay for development of the park. The balance on the bond for this property is approximately \$60,550.
Use or disposition of property	Market the property for industrial development with any proceeds from the sale of the properties going to the taxing agencies.

**PROPERTIES DEDICATED TO GOVERNMENTAL USE PURPOSES**

Pursuant to HSC Section 34181 (a) the Oversight Board may “*direct the Successor Agency to transfer ownership of properties that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administration*”

*buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset.”* The following are these properties:

Property No. 5 – 007 120 020 000 – 1684 Cascade Blvd.	This property is currently the location of a gateway monument sign. The property is to be retained and transferred to the City of Shasta Lake for the continued governmental use.
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**PROPERTIES RETAINED FOR PURPOSES OF FULFILLING AN ENFORCEABLE OBLIGATION**

At this time, there are no properties being proposed to be retained for purposed of fulfilling an enforceable obligation.



September 20, 2013

Mr. John Duckett, City Manager  
 City of Shasta Lake Successor Agency  
 P.O. Box 777  
 Shasta Lake, CA 96019

Dear Mr. Duckett:

Subject: Long Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of Shasta Lake Successor Agency (Agency) submitted a Long Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on April 25, 2013. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

HSC section 34191.5 defines the requirements of the LRPMP. Based on our review and application of the law, the Agency's LRPMP is not approved as follows:

Property Nos. 6 through 9:

Property No.	Property Description	Assessor Parcel Numbers (APN)
6	Expansion area for Shasta Gateway Industrial Park	064-150-068-000
7	Expansion area for Shasta Gateway Industrial Park	064-160-007-000
8	Vacant Industrial Park Lot	064-440-007-000
9	Vacant Industrial Park Lot	064-440-015-000

The properties listed above are vacant lands and sites that were originally transferred by the City of Shasta Lake (City) to the former Redevelopment Agency of Shasta Lake in 1998. In the LRPMP, the Agency plans to transfer these properties back to the City and retain them as City assets. However, the LRPMP was not specific on the intended use or disposition after the transfer is made.

Pursuant to HSC section 34191.5 (c) (2), the LRPMP should address the use or disposition of all properties in the trust. Permissible uses may include the City's retention of the property for governmental use pursuant to HSC section 34181 (a), the City's retention of the property for future development, the sale of the property to a third party, or the use of the property to fulfill an enforceable obligation.

Mr. John Duckett  
September 20, 2013  
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If the Agency intends to transfer these properties to the City for sale to a third party, the LRPMP must state the intended use of the proceeds for the properties. HSC section 34191.5 (c) (2) (B), states that if the plan directs the liquidation of the property, for any purpose other than to fulfill an enforceable obligation, the proceeds from the sale shall be distributed as property tax to the taxing entities.

If the City wishes to retain these properties for future development, the LRPMP should at a minimum note the City's intent to reach compensation agreements with the other taxing entities pursuant to HSC section 34180 (f). Additionally, if the City intends to utilize these properties for a government purpose as defined in HSC section 34181 (a), the plan should clearly delineate this.

The permissible use for properties six through nine was not appropriately addressed in the LRPMP. Therefore, the LRPMP is not approved at this time.

As authorized by HSC section 34191.5 (b), Finance is not approving the LRPMP. The Dissolution Act does not allow a meet and confer for Finance's review of the LRPMP. Therefore, the Agency should revise the LRPMP to address the issues noted above and resubmit an OB approved revised LRPMP to Finance for approval.

Please direct inquiries to Wendy Griffe, Supervisor, or Medy Lamorena, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Ms. Laura Redwine, Finance Director, City of Shasta Lake  
Ms. Sheri Jenkins, Managing Accountant Auditor, County of Shasta  
Mr. Steven Mar, Bureau Chief, Local Government Audit Bureau, California State  
Controller's Office  
California State Controller's Office