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that item.**

**City of Santee
Regular Meeting Agenda**

**Santee City Council
CDC Successor Agency
Santee Public Financing Authority**

**Council Chamber – Building 2
10601 Magnolia Avenue
Santee, CA 92071**

August 23, 2017

7:00 PM

ROLL CALL: Mayor John W. Minto
Vice Mayor Ronn Hall
Council Members Stephen Houlahan, Brian W. Jones and Rob McNelis

LEGISLATIVE INVOCATION \ PLEDGE OF ALLEGIANCE:

PROCLAMATION: [National Payroll Week](#)

ITEMS TO BE ADDED, DELETED OR RE-ORDERED ON AGENDA:

1. CONSENT CALENDAR:

Consent Calendar items are considered routine and will be approved by one motion, with no separate discussion prior to voting. Council Members, staff or public may request specific items be removed from the Consent Calendar for separate discussion or action. Speaker slips for this category must be presented to the City Clerk at the start of the meeting. Speakers are limited to 3 minutes.

- (A) Approval of reading by title only and waiver of reading in full of Ordinances and Resolutions on the agenda.**
- (B) [Approval of Meeting Minutes of the Santee City Council, the CDC Successor Agency and the Santee Public Financing Authority for the Regular and Special Meetings of August 9, 2017.](#)**
- (C) [Approval of Payment of Demands as presented.](#)**
- (D) [Approval of a merit pay increase for the City Clerk from \\$111,391.79 to \\$118,075.30 annually effective August 24, 2017.](#)**

2. PUBLIC HEARINGS: None

3. ORDINANCES: None

4. CITY COUNCIL REPORTS:

5. CONTINUED BUSINESS:

- (A) Adoption of Resolutions of Intention and related actions initiating the formation of two Community Facilities Districts in connection with the financing of infrastructure and public services for the Weston (formerly Castlerock) development. (Continued from May 10, 2017)

Recommendation:

Adopt six (6) Resolutions.

6. NEW BUSINESS:

- (A) Resolution approving a Park Development Agreement with Pardee Homes, Incorporated for the development of a public park within the "Weston" Subdivision (formerly "Castlerock") and authorizing the City Manager to execute the agreement.

Recommendation:

Adopt the Resolution approving the Park Development Agreement, in substantial conformance with the proposed Agreement, and authorizing the City Manager to execute the Agreement with Pardee Homes LLC, with any additional conforming changes as approved by the City Attorney.

- (B) Request for authorization to consider an application for an amendment to the general plan to change the land use designation from "Low-Density Alternative Residential (R1-A)" and "Hillside/Limited Residential (HL)" to "Medium-High Density Residential (R-14)" and to change the Zone Classification from "Low-Density Alternative Residential (R1-A)" and "Hillside/Limited Residential (HL)" to "Medium-High Density Residential (R-14)" of an undeveloped 2.8-acre parcel on Sunset Trail, APN: 384-142-04. Applicant: M. Grant Real Estate, Incorporated

Recommendation:

Provide direction as to whether staff should proceed with processing an application requesting a General Plan Amendment and a change to the Zone Base District Map, as requested by the applicant.

(C) Informational report on compliance with the trash order issued by the State Water Resources Control Board.

Recommendation:

Note and file report.

7. COMMUNICATION FROM THE PUBLIC:

Each person wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the Agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda.

8. CITY MANAGER REPORTS:

9. CDC SUCCESSOR AGENCY:

(Note: Minutes appear as Item 1(B))

10. SANTEE PUBLIC FINANCING AUTHORITY:

(Note: Minutes appear as Item 1(B))

11. CITY ATTORNEY REPORTS:

12. CLOSED SESSION:

(A) Conference with Legal Counsel—Anticipated Litigation

(Gov. Code section 54956.9(d)(2))

Significant Exposure to Litigation: Six cases

(B) PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Government Code Section 54957)

Title: City Manager

13. ADJOURNMENT:

September & October Meetings

Sept 06	City Council Meeting	Council Chamber
Sept 07	SPARC	Civic Center Building 7
Sept 11	Community Oriented Policing Committee	Council Chamber
Sept 13	City Council Meeting – CANCELLED	Council Chamber
Sept 21	Manufactured Home Fair Practices Commission	Council Chamber
Sept 27	City Council Meeting	Council Chamber
Oct 05	SPARC	Civic Center Building 7
Oct 09	Community Oriented Policing Committee	Council Chamber
Oct 11	City Council Meeting	Council Chamber
Oct 25	City Council Meeting	Council Chamber

The Santee City Council welcomes you and encourages your continued interest and involvement in the City’s decision-making process.

For your convenience, a complete Agenda Packet is available for public review at City Hall and on the City’s website at www.CityofSanteeCA.gov.

The City of Santee complies with the Americans with Disabilities Act. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the American with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk’s Office at (619) 258-4100, ext. 112 at least 48 hours before the meeting, if possible.

State of California } County of San Diego } ss. City of Santee }	<h3 style="margin: 0;">AFFIDAVIT OF POSTING AGENDA</h3>
I, <u>Patsy Bell, CMC, City Clerk</u> of the City of Santee, hereby declare, under penalty of perjury, that a copy of this Agenda was posted in accordance with the Brown Act and Santee Resolution 61-2003 on <u>August 18, 2017</u> , at <u>4:00 p.m.</u>	
_____ Signature	_____ 08/18/17 Date

City of Santee
COUNCIL AGENDA STATEMENT

PROC

MEETING DATE August 23, 2017

AGENDA ITEM NO.

ITEM TITLE PROCLAMATION: NATIONAL PAYROLL WEEK

DIRECTOR/DEPARTMENT John W. Minto, Mayor

SUMMARY

Santee resident and American Payroll Association Chapter Coordinator Elena Ruiz requested the City's support for National Payroll Week in the City of Santee.

The American Payroll Association has designated the week in which Labor Day falls as National Payroll Week. Designating this week in particular will highlight the important contributions of the people who work to support the American Dream and recognize the partnership between taxpayers and payroll professionals.

National Payroll Week celebrates the hard work by America's 150 million wage earners and the payroll professionals who pay them. Together, through the payroll withholding system, they contribute, collect, report and deposit approximately \$2.2 trillion, or 67%, of the annual revenue of the U.S. Treasury.

The theme of National Payroll Week is "America Works Because We're Working for America." The collection, reporting and payment of payroll taxes by employers is a positive example of what works in America.

Chapter Coordinator Elena Ruiz will accept the proclamation with members of the American Payroll Association.

FINANCIAL STATEMENT N/A

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION ✓

Present proclamation to American Payroll Association Chapter Coordinator of the San Diego Chapter, Elena Ruiz.

ATTACHMENTS

Proclamation.

City of Santee, California

Proclamation

WHEREAS, the American Payroll Association and its more than 21,000 members have launched a nationwide public awareness campaign that pays tribute to the more than 150 million people who work in the United States and the payroll professionals who support the American system by paying wages, reporting worker earnings and withholding federal employment taxes; and

WHEREAS, payroll professionals play a key role in maintaining economic health by carrying out such diverse tasks as paying into the unemployment insurance system, providing information for child support enforcement, and carrying out tax withholding, reporting and depositing; and

WHEREAS, payroll departments collectively spend more than \$2.2 trillion annually complying with myriad federal and state wage and tax laws; and

WHEREAS, federal and state tax withholding go toward important civic projects, including roads, schools and parks; and

WHEREAS payroll professionals have become increasingly proactive in educating both the business community and the public at large about the payroll tax withholding systems.

NOW, THEREFORE, I, John W. Minto, Mayor of the City of Santee, on behalf of the City Council do hereby proclaim September 4 -8, 2017 as

“NATIONAL PAYROLL WEEK”

in the City of Santee in recognition of the contributions of American workers and the payroll professionals who report these workers' earnings, collect their taxes, and pay their wages.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-third day of August, two thousand seventeen, and have caused the Official Seal of the City of Santee to be affixed.



Mayor John W. Minto

City of Santee
COUNCIL AGENDA STATEMENT

1B

MEETING DATE August 23, 2017

AGENDA ITEM NO.

ITEM TITLE APPROVAL OF MEETING MINUTES OF THE SANTEE CITY COUNCIL,
THE CDC SUCCESSOR AGENCY AND THE SANTEE PUBLIC
FINANCING AUTHORITY FOR THE SPECIAL AND REGULAR
MEETINGS OF AUGUST 9, 2017

DIRECTOR/DEPARTMENT Patsy Bell, CMC, City Clerk

PB

SUMMARY

Submitted for your consideration and approval are the minutes of the above meetings.

FINANCIAL STATEMENT N/A

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION

Approve Minutes as presented.

ATTACHMENTS

August 9, 2017 Special Minutes
August 9, 2017 Regular Minutes

Minutes

**Santee City Council
Council Chamber – Building 2
10601 Magnolia Avenue
Santee, California
August 9, 2017**

Draft

1. CALL TO ORDER

This Special Meeting of the Santee City Council was called to order by Mayor John W. Minto at 6:31 p.m.

Council Members present were: Mayor John W. Minto, Vice Mayor Ronn Hall and Council Members Stephen Houlahan, Brian W. Jones and Rob McNelis.

Officers present were: City Manager Marlene Best, City Attorney Shawn Hagerty and City Clerk Patsy Bell.

Council Members convened in Closed Session at 6:33 p.m. with all Members present.

2. CLOSED SESSION:

(A) Conference with Legal Counsel—Anticipated Litigation

(Gov. Code section 54956.9(d)(2))

Significant Exposure to Litigation: Six cases

Council Members reconvened in Open Session at 7:04 p.m. with all Members present. Mayor Minto reported that direction was given to staff.

3. ADJOURNMENT

There being no further business, the meeting was adjourned at 7:04 p.m.

Date Approved:

Patsy Bell, CMC, City Clerk

Minutes

Draft

**Santee City Council
CDC Successor Agency
Santee Public Financing Authority**

**Council Chamber – Building 2
10601 Magnolia Avenue
Santee, California
August 9, 2017
7:00 PM**

This Regular Meeting of the Santee City Council, the CDC Successor Agency and the Santee Public Financing Authority was called to order by Mayor/Agency Chair/Authority Chair John W. Minto at 7:05 p.m.

Council Members present were: Mayor/Agency Chair/Authority Chair John W. Minto, Vice Mayor/Agency Vice Chair/Authority Vice Chair Ronn Hall and Council/Agency/Authority Members Stephen Houlahan, Brian W. Jones and Rob McNelis.

Officers present were: City Manager/Agency Executive Director/Authority Secretary Marlene Best, City/Agency/Authority Attorney Shawn Hagerty and City Clerk/Agency Secretary Patsy Bell.

(Note: Hereinafter the titles Mayor, Vice Mayor, Council Member, City Manager, City Attorney and City Clerk shall be used to indicate Mayor/Agency Chair/Authority Chair, Vice Mayor/Agency Vice Chair/Authority Vice Chair, Council/Agency/Authority Member, City Manager/Agency Executive Director/Authority Secretary, City/Agency/Authority Attorney and City Clerk/Agency Secretary.)

The **INVOCATION** was given by Senior Pastor Greg Lawton of Calvary Chapel of Santee and the **PLEDGE OF ALLEGIANCE** was led by Sam Rensberry, Acting Parks and Landscape Supervisor.

ADJOURNMENT IN MEMORY: Roy A Woodward, Former Council Member

Mayor Minto presented the certificate to Former Council Member Woodward's wife Adeline Woodward, sister Claire Jo Butler, son Alfred (Al), daughter Renee, daughter Jennie and her husband Greg, and Grandchildren Brandon, Addison (AJ), Rowan and Mason. Anita Bautista presented leis to the family.

ITEMS TO BE ADDED, DELETED OR RE-ORDERED ON AGENDA:

Council Member Houlahan registered a no vote on Item 1(F). City Clerk Bell provided an amended Council Agenda Statement and Resolution for Item 1(L).

1. **CONSENT CALENDAR:**

- (A) **Approval of reading by title only and waiver of reading in full of Ordinances and Resolutions on the agenda.**
- (B) **Approval of Meeting Minutes of the Santee City Council, the CDC Successor Agency and the Santee Public Financing Authority for the Regular Meetings of June 28, 2017 and July 12, 2017, and the Cancelled Regular Meeting of July 26, 2017.**
- (C) **Approval of Payment of Demands as presented.**
- (D) **Adoption of a Resolution consenting to the inclusion of the Hillside Meadows Detachment Area (0.194 acres) within a proposed County of San Diego Community Facilities District. (Reso 083-2017)**
- (E) **Adoption of a Resolution awarding the construction contract for the Riverwalk Drive Pedestrian Crossing (CIP 2014-05) to A B Hashmi. Incorporated in the amount of \$176,650.00, authorizing the City Manager to execute the contract, authorizing the Director of Development Services to approve change orders in an amount not to exceed \$17,665.00, and approving a categorical exemption pursuant to section 15301(c) of the California Environmental Quality Act. (Reso 084-2017) (Houlahan – No)**
- (F) **Adoption of a Resolution approving the final map for the Mission Gorge Multi-Family Project (TM 2015-06) and authorizing the City Manager to execute the associated Subdivision Improvement Agreement. Location: 7927-7941 Mission Gorge Road. Applicant: Davisson Enterprises Incorporated (Reso 085-2017)**
- (G) **Rejection of all bids for As-Needed Painting (RFB 17/18-20028), approval of an up to 90-day contract extension with Terry Shaw Painting for As-Needed Painting in an amount not to exceed \$4,363.00 and authorization for the City Manager to execute the contract extension.**
- (H) **Authorization to purchase one “Autopulse” cardiac support system from Zoll Medical Corporation for an amount not to exceed \$14,223.65 and for the City Manager to execute all necessary documents.**
- (I) **Authorization to purchase radio equipment from Motorola Incorporated per utilization of the County of San Diego Cooperative Regional Communications Systems (RCS) contract for an amount not to exceed \$47,729.85 and for the City Manager to execute all necessary documents.**

- (J) Authorization to purchase two "PROFlexx" ambulance cot kits and two sets of long flip-out lifting handles from Ferno-Washington, Incorporated for an amount not to exceed \$13,785.32 and authorization for the City Manager to execute all necessary documents.
- (K) Approval of the seventh contract amendment with West Coast Arborists, Incorporated for Urban Forestry Management Services to increase the FY 2016/17 contract amount from \$145,000 to \$157,576 and authorization for the City Manager to execute the amendment.
- (L) Adoption of a Resolution awarding the construction contract for the Proposition 84 Infiltration Pilot Project (CIP 2013-23) to Blue Pacific Engineering and Construction for a total amount of \$116,500, authorizing the City Manager to execute the contract, authorizing the Director of Development Services to approve changes orders in an amount not to exceed \$11,650.00 and approving a categorical exemption pursuant to the California Environmental Quality Act. (Amended Reso 086-2017)

ENTERED INTO THE RECORD:

Amended Council Agenda Statement and Resolution for Item 1(L) with recommendation to adopt the amended Resolution authorizing the Director of Development services to approve change orders in a total amount not to exceed \$52,286.00.

ACTION: On motion of Vice Mayor Hall, seconded by Council Member Jones, the Agenda and Consent Calendar were approved as amended with all voting aye, except Council Member Houlahan who voted no on Item 1(F).

2. PUBLIC HEARINGS:

- (A) A Public Hearing for an Ordinance of the City Council of the City of Santee, California amending Chapter 17.24 ("Parking Regulations") of the Santee Municipal Code to modify parking standards and approve an exemption from the California Environmental Quality Act (CEQA) in accordance with Sections 15061 and 15305 of the CEQA guidelines.

ENTERED INTO THE RECORD:

Staff provided correspondence that was received after the issuance of the Agenda.

The Public Hearing was opened at 7:21 p.m. Director of Development Services Kush introduced the item and Principal Planner O'Donnell presented the staff report utilizing a PowerPoint presentation and answered Council's questions.

PUBLIC SPEAKERS:

Speaking in opposition and expressing their concerns with the proposed regulations were Matt Davis of Cushmont Wakefield, Michael McSweeney with the Building Industry Association of San Diego, Joe Oftelie of City Ventures, Daryl Priest, Michael Grant and Randy Lang.

Council discussed the various concerns, such as the new amount of required parking, especially for 3 bedroom homes, and if there would be any grandfathering-in of any projects that were already in process. Council talked about making certain changes in the regulations and moving forward now, as well as scheduling a future workshop so additional research and discussion could happen.

MOTION: Council Member Jones moved to close the Public Hearing and schedule a workshop in January 2018 to allow further discussion on the proposed parking regulations. Vice Mayor Hall seconded the motion.

ACTION: After further discussion, Council Member Jones' motion, seconded by Council Member Hall, closing the Public Hearing at 8:27 p.m. and scheduling a workshop for the January 24, 2018 City Council meeting was approved with all voting aye.

3. **ORDINANCES:** See Item 2(A)

4. **CITY COUNCIL REPORTS:** None

5. **CONTINUED BUSINESS:** None

6. **NEW BUSINESS:**

(A) **Review of proposed additional service rates for Waste Management Franchise Agreement.**

Director of Community Services Maertz presented the staff report utilizing a PowerPoint presentation and answered Council's questions.

ACTION: It was moved by Council Member Jones and seconded by Council Member McNelis to approve the adjustment in the overage fee, authorize staff to include the addition of commercial recycling cart services in the Santee Municipal Code update and to temporarily allow said recycling cart services until formally included in the Municipal Code, approve adding 1½ and 2 cubic yard commercial recycling bins to the current rate sheet and approve adding additional collection frequencies, up to five times per week service to the 3-yard split bin service. The motion carried with all voting aye.

(B) Authorize and allocate funds to Santee School District for Sycamore Canyon School Field Improvements.

Director of Community Services Maertz presented the staff report utilizing a PowerPoint presentation and answered Council's questions.

PUBLIC SPEAKER:

Carl Christensen, Santee School District, was available for questions.

ACTION: It was moved by Vice Mayor Hall and seconded by Council Member McNelis to authorize and allocate \$20,000 from the Ball Field Improvements project towards the Sycamore Canyon field improvement project and authorize the City Manager to execute any documents associated with the Sycamore Canyon improvement project. The motion carried with all voting aye.

(C) Resolution proclaiming an emergency, authorizing immediate repair of certain corrugated metal pipe storm drain systems and appropriation of funds, waiving the requirement for competitive bidding and authorizing the City Manager to enter into contracts to complete the necessary repair or replacement of storm drain systems and to take other actions as necessary. (Reso 087-2017)

ACTION: On motion of Council Member McNelis, seconded by Council Member Jones, the Resolution proclaiming an emergency, approving the emergency repair of the storm drain systems to safeguard life, health, or property, a waiver of the requirement for competitive bidding, and the appropriation of \$514,000 from the General Fund and authorizing the City Manager to enter into an agreement for the emergency work to repair the storm drain systems and to take other actions as necessary for a total cost not to exceed \$725,000, with such authorized other actions including but not limited to, obtaining rights of entry and signing other agreements required to perform the work and causing the investigation of related storm drain facilities to determine whether additional work may be required was adopted with all voting aye.

7. COMMUNICATION FROM THE PUBLIC:

(A) John Lee discussed his concerns with a fence his neighbor is building.

8. CITY MANAGER REPORTS:

City Manager Best reported on upcoming community events and briefly highlighted the City's new website.

9. CDC SUCCESSOR AGENCY:

(Note: Minutes appear as Item 1(B))

10. SANTEE PUBLIC FINANCING AUTHORITY:

(Note: Minutes appear as Item 1(B))

11. CITY ATTORNEY REPORTS: None

Council Members recessed at 8:40 p.m. and convened in Closed Session at 8:50 p.m. with all Members present.

12. CLOSED SESSION:

(A) PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Government Code Section 54957)

Title: City Clerk

Council Members reconvened in Open Session at 9:22 p.m. with all Members present. Mayor Minto reported that the evaluation was conducted and direction was given to staff.

13. ADJOURNMENT:

There being no further business, the meeting was adjourned at 9:22 p.m. in memory of Roy A. Woodward.

Date Approved: _____

Patsy Bell, CMC, City Clerk/Agency Secretary
and for Authority Secretary Marlene Best

City of Santee
COUNCIL AGENDA STATEMENT

1C

MEETING DATE August 23, 2017

AGENDA ITEM NO.

ITEM TITLE PAYMENT OF DEMANDS

DIRECTOR/DEPARTMENT Tim K. McDermott, Director of Finance *TM*

SUMMARY

A listing of checks that have been disbursed since the last Council meeting is submitted herewith for approval by the City Council.

FINANCIAL STATEMENT *TM*

Adequate budgeted funds are available for the payment of demands per the attached listing.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*

Approval of the payment of demands as presented.

ATTACHMENTS (Listed Below)

- 1) Payment of Demands-Summary of Checks Issued
- 2) Disbursement Journal

Payment of Demands
Summary of Payments Issued

<u>Date</u>	<u>Description</u>	<u>Amount</u>
08/01/17	Retiree Health	5,385.00
08/01/17	Accounts Payable	45,231.69
08/02/17	Accounts Payable	84,065.70
08/03/17	Payroll	372,850.67
08/03/17	Accounts Payable	241,277.29
08/03/17	Accounts Payable	441,521.17
08/07/17	Accounts Payable	223,978.53
08/09/17	Accounts Payable	7,724.12
08/10/17	Accounts Payable	266,782.11
08/15/17	Accounts Payable	13,708.07
08/17/17	Payroll	<u>329,312.02</u>
	TOTAL	<u>\$ 2,031,836.37</u>

I hereby certify to the best of my knowledge and belief that the foregoing demands listing is correct, just, conforms to the approved budget, and funds are available to pay said demands.



Tim K. McDermott, Director of Finance

Voucher List
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
116043	8/2/2017	12471 BEAR ELECTRICAL	5000	51664	TRAFFIC SIGNAL TESTING	1,500.00
			5032	51664	TRAFFIC SIGNAL REPAIR	4,857.50
			5033	51664	TRAFFIC SIGNAL MAINT	1,335.00
			5044	51664	TRAFFIC SIGNAL IMPROVEMENT	698.60
			5045	51664	TRAFFIC SIGNAL IMPROVEMENT	484.15
			5086	51664	TRAFFIC SIGNAL IMPROVEMENT	600.00
					Total :	9,475.25
116044	8/2/2017	10018 BENCHMARK LANDSCAPE SVCS INC	135698	51586	A-2 LANDSCAPE SVCS	448.00
			135711	51603	A-3 LANDSCAPE SVCS	1,792.00
					Total :	2,240.00
116045	8/2/2017	11916 BLIND SPEED/ SPARKLE BLINDS	60054		BLINDS - CITY HALL	75.00
					Total :	75.00
116046	8/2/2017	11168 CTE INC CLARK TELECOM AND	1373	51631	STREET LIGHT MAINTENANCE	507.52
			1374	51631	DIG ALERT MARK-OUTS	1,661.80
					Total :	2,169.32
116047	8/2/2017	10046 D MAX ENGINEERING INC	3710	51609	WATER OUTFALL MONITORING	17,048.15
					Total :	17,048.15
116048	8/2/2017	11295 DOKKEN ENGINEERING	31797	50583	MISSION GORGE RD PLANTING	3,921.25
			31799	50583	RYDER CT. CMP IMPROVEMENT	10,050.00
			31800	50583	E. HARTLAND CMP IMPROVEMENT	10,850.00
					Total :	24,821.25
116049	8/2/2017	10055 EMSAR INC	64196-A	51756	EQUIPMENT REPAIR	1,362.10
			64196-B		EQUIPMENT REPAIR PARTS	452.22
					Total :	1,814.32
116050	8/2/2017	12365 ETHERWAN SYSTEMS INC	2034449	51749	TRAFFIC SIGNAL EQUIPMENT	11,220.65
					Total :	11,220.65
116051	8/2/2017	10580 FASTENAL COMPANY	CAELC68319	51524	MATERIALS & HARDWARE - PSD	636.49
					Total :	636.49

Bank code :	ubgen					
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
116063	8/2/2017	10133 UNDERGROUND SERVICE ALERT	620170675	51552	DIG ALERT SERVICES	168.00
21 Vouchers for bank code : ubgen						168.00
21 Vouchers in this report						84,065.70
Total :						84,065.70
Bank total :						84,065.70
Total vouchers :						84,065.70

Prepared by: 
 Date: 8-2-17
 Approved by: 
 Date: 8-2-17

Bank code :	ubgen			Invoice	PO #	Description/Account	Amount	
Voucher	Date	Vendor						
116064	8/3/2017	10208 ANTHEM BLUE CROSS		August 2017		EMPLOYEE ASSISTANCE PROGRA	264.18	
						Total :	264.18	
116065	8/3/2017	10334 CHLIC		2168914		HEALTH/DENTAL INSURANCE	196,019.97	
						Total :	196,019.97	
116066	8/3/2017	10844 FRANCHISE TAX BOARD		PPE 07/26/17		WITHHOLDING ORDER	25.00	
						Total :	25.00	
116067	8/3/2017	10779 NATIONAL BENEFIT SERVICES LLC		PPE 07/26/17		FLEXIBLE SPENDING ACCOUNT	2,261.56	
						Total :	2,261.56	
116068	8/3/2017	10785 RELIANCE STANDARD LIFE		August 2017		VOLUNTARY LIFE INSURANCE	744.84	
						Total :	744.84	
116069	8/3/2017	10424 SANTEE FIREFIGHTERS		PPE 07/26/17		DUES/PEC/BENEVOLENT/BC EXP	2,499.09	
						Total :	2,499.09	
116070	8/3/2017	10776 STATE OF CALIFORNIA		PPE 07/26/17		WITHHOLDING ORDER	267.69	
						Total :	267.69	
116071	8/3/2017	10001 US BANK		PPE 07/26/17		PARS RETIREMENT	1,218.86	
						Total :	1,218.86	
116072	8/3/2017	10959 VANTAGE TRANSFER AGENT/457		PPE 07/26/17		ICMA - 457	34,309.99	
						Total :	34,309.99	
116073	8/3/2017	10782 VANTAGEPOINT TRNSFR AGT/801801		PPE 07/26/17		RETIREE HEALTH SAVINGS ACCOL	3,666.11	
						Total :	3,666.11	
10 Vouchers for bank code : ubgen							Bank total :	241,277.29
10 Vouchers in this report							Total vouchers :	241,277.29

vchl1st

08/03/2017 10:23:20AM

Voucher List
CITY OF SANTEE

Page: 2

Bank code : ubgen

Voucher _____ Date _____ Vendor _____

Invoice _____

PO # _____

Description/Account _____

Amount _____

Prepared by: *Nilde J*
 Date: 8-3-17

Approved by: *Samuel Sabarwal*
 Date: 8-3-17

vchlist

08/03/2017 1:31:15PM

Voucher List
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
116074	8/3/2017	10004 AFFORDABLE PIPELINE SERVICES	8028		CITYWIDE CMP LINING AND REHA	2,200.00
					Total :	2,200.00
116075	8/3/2017	11885 ARROW INTERNATIONAL	94987880	51761	EMS SUPPLIES	2,974.16
			94988078	51761	EMS SUPPLIES	2,974.16
					Total :	5,948.32
116076	8/3/2017	10516 AWARDS BY NAVAJO	0717039		NAME PLATE	5.36
					Total :	5.36
116077	8/3/2017	10298 BLACKMAN, HAILE G	004		SANTEE SUMMER CONCERTS	950.00
					Total :	950.00
116078	8/3/2017	11653 CALIFORNIA FIRE CHIEFS	CALHFS 2017/18		ANNUAL MEMBERSHIP DUES	675.00
					Total :	675.00
116079	8/3/2017	10299 CARQUEST AUTO PARTS	11102-439171	51766	VEHICLE REPAIR PARTS	48.45
					Total :	48.45
116080	8/3/2017	11173 CITY OF SAN DIEGO	1000201716		AED SERVICE AGREEMENT (5)	200.00
					Total :	200.00
116081	8/3/2017	10541 COUNTY OF SAN DIEGO	SN-2017/2018-1		ANIMAL CONTROL SERVICES	97,425.00
					Total :	97,425.00
116082	8/3/2017	10333 COX COMMUNICATIONS	063453006		9534 VIA ZAPADOR	302.78
			112256001		9130 CARLTON OAKS DR	165.63
					Total :	468.41
116083	8/3/2017	12251 CSAC EXPRESS INSURANCE	18300081		GENERAL LIABILITY 1 PROGRAM	186,429.00
			18400438		OPTIONAL EXCESS LIABILITY	11,868.00
			18400772		CSAC CYBER LIABILITY	1,196.00
			18500082		PROPERTY PROGRAM-CSAC	61,352.00
					Total :	260,845.00
116084	8/3/2017	11090 CSE SECURITY INC	4431		SANTEE SALUTES	712.50

Voucher List
CITY OF SANTEE

Bank code :	ubgen			Invoice	PO #	Description/Account	Amount
Voucher	Date	Vendor					
116084	8/3/2017	11090	11090 CSE SECURITY INC	(Continued)			Total : 712.50
116085	8/3/2017	12770	ELOR ENERGY	17-698		REFUND OF PERMIT FEES	Total : 177.64
116086	8/3/2017	10009	FIRE ETC	105231	51775	STATION SUPPLIES	Total : 177.64
116087	8/3/2017	12760	FOCUS PSYCHOLOGICAL	1002		FD INCIDENT DEBRIEFING	Total : 96.98
116088	8/3/2017	10675	IAFC MEMBERSHIP	2017/2017-124241		ANNUAL MEMBERSHIP DUES	Total : 300.00
116089	8/3/2017	10553	INTERNATIONAL INSTITUTE OF	10822		MEMBERSHIP DUES - BELL	Total : 254.00
				32077		MEMBERSHIP DUES - REAL	Total : 254.00
116090	8/3/2017	10997	LAKESIDE FIRE PREVENTION	113		TELESTAFF NETWORK SERVER	Total : 200.00
116091	8/3/2017	11292	LIEBERT CASSIDY WHITMORE	SA700-10000		ERC MEMBERSHIP	Total : 100.00
116092	8/3/2017	10174	LN CURTIS AND SONS	INV112936	51827	FIRE EQUIPMENT	Total : 300.00
116093	8/3/2017	11986	MARION B BORG ENVIRONMENTAL	SANTEEO1-52	51024	FANITA RCH CONSULTING SVCS	Total : 2,346.00
116094	8/3/2017	12274	MAUZY HEATING & AIR	17-710		REFUND OF PERMIT FEES	Total : 895.50
116095	8/3/2017	10308	O'REILLY AUTO PARTS	2968-152437		VEHICLE REPAIR PART	Total : 895.50
				CM-2968-153337	51791	CR-VEHICLE REPAIR PART	Total : 1,311.24
116096	8/3/2017	10308	O'REILLY AUTO PARTS	2968-152601	51791	VEHICLE SUPPLIES	Total : 1,311.24
							Total : 1,190.00
							Total : 1,190.00
							Total : 145.88
							Total : 155.94
							Total : -18.00
							Total : 137.94
							Total : 58.16

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
116096	8/3/2017	10308 O'REILLY AUTO PARTS	(Continued)				
116097	8/3/2017	10336 PADRE DAM MUNICIPAL WATER DIST	GRD1058A		REFUNDABLE DEPOSIT	58.16	
116098	8/3/2017	10407 SAN DIEGO GAS & ELECTRIC	0422 970 321 8 3422 380 562 8 4394 020 550 9 7990 068 577 7 8509 742 169 4		STREET LIGHTS GAS TAX LMD PARKS CITY HALL GROUP BILL	1,977.01 1,977.01 31,198.97 100.85 4,996.94 11,896.64 9,483.02 57,676.42	
116099	8/3/2017	11557 SAN DIEGO INTERNATIONAL	IPMA-ESQUIVEL IPMA-HARDY		IPMA MEMBERSHIP- ESQUIVEL IPMA- MEMBERSHIP-HARDY	75.00 75.00 150.00	
116100	8/3/2017	10468 SDCFCA - EMS SECTION	2017/2018		ANNUAL MEMBERSHIP DUES	50.00	
116101	8/3/2017	10250 THE EAST COUNTY	20100931 52979		AD FOR GRAPHIC ARTIST ADVERTISING	49.00 889.00 938.00	
116102	8/3/2017	10158 THE SOCO GROUP INC	0406920-IN 0407283-IN CL04131	51802 51834 51803	DELIVERED FUEL VEHICLE SUPPLIES FLEET CARD FUELING	660.61 349.29 1,266.36 2,276.26	
116103	8/3/2017	10475 VERIZON WIRELESS	9789037084		CELL PHONE SERVICE	1,548.61 1,548.61	
116104	8/3/2017	10537 WETMORES	63067109 63067120 63067121 63067123	51808 51808 51808 51808	VEHICLE REPAIR PARTS CR, VEHICLE REPAIR PART VEHICLE REPAIR PARTS VEHICLE REPAIR PART	149.87 -38.59 96.35 5.86 213.49	
31 Vouchers for bank code : ubgen						Bank total :	441,521.17

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
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Bank code : ubgen

31 Vouchers in this report

Total vouchers : 441,521.17

Prepared by: *Alisa J*
Date: 8-3-17
Approved by: *[Signature]*
Date: 8-3-17

Voucher List
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
7174	8/7/2017	10353 PERS	07 17 4		RETIREMENT PAYMENT	98,775.96
31856	8/7/2017	10955 DEPARTMENT OF THE TREASURY	August 2017 Retiree PPE 07/26/17		FEDERAL WITHHOLDING TAX	75.00
					FEDERAL WITHHOLDING TAX AND	96,299.73
					Total :	96,374.73
31900	8/7/2017	10956 FRANCHISE TAX BOARD	PPE 07/26/17		CA STATE TAX WITHHELD	28,827.84
					Total :	28,827.84
					Bank total :	223,978.53
					Total vouchers :	223,978.53

3 Vouchers for bank code : ubgen
3 Vouchers in this report

Prepared by: *Alida S*
Date: 8-8-17

Approved by: *[Signature]*
Date: 8-8-17

Voucher List
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
116105	8/9/2017	10010 ALLIANT INSURANCE SERVICES INC	04/01/17-06/30/17		4TH QTR SPECIAL EVENT INS	719.00
					Total :	719.00
116106	8/9/2017	12701 AMERICAN RADIO INC	ST101157	51745	RADIO INSTALLATION	977.50
					Total :	977.50
116107	8/9/2017	10429 CALPERS	100000014992076		CALPERS DEDUCTION SERVICES	5.52
					Total :	5.52
116108	8/9/2017	10032 CINTAS CORPORATION #694	694357675	51489	STATION SUPPLIES	52.52
					Total :	52.52
116109	8/9/2017	11875 HALL, RONN	115		TRAVEL REIMBURSEMENT	245.47
					Total :	245.47
116110	8/9/2017	12330 INTERNATIONAL EZ-UP, INC	INV0021720 INV0022935	51740 51740	PUBLIC EDUCATION SUPPLIES PUBLIC EDUCATION SUPPLIES	257.52 16.68
					Total :	274.20
116111	8/9/2017	10997 LAKESIDE FIRE PREVENTION	114		CLASS REGISTRATION	175.00
					Total :	175.00
116112	8/9/2017	11783 MINTO, JOHN	052117		ICSC RECON	257.12
					Total :	257.12
116113	8/9/2017	10458 MIRACLE RECREATION EQUIPMENT	788237	51440	PLAYGROUND EQUIP & REPAIRS	1,132.71
					Total :	1,132.71
116114	8/9/2017	11430 PATHWAYS CHURCH	10053		REPAIR REIMBURSEMENT	1,660.00
					Total :	1,660.00
116115	8/9/2017	10314 SOUTH COAST EMERGENCY VEHICLE	481781	51502	VEHICLE REPAIR	151.00
					Total :	151.00
116116	8/9/2017	10617 STATE OF CALIFORNIA	L0293085984		APRIL 1 - JUNE 30, 2017 UNEMPLO	1,479.00
					Total :	1,479.00

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
116117	8/9/2017	10550 UNIFORMS PLUS INC	45288	51585	CLASS A UNIFORM	595.08

Total : 595.08

13 Vouchers for bank code : ubgen

Bank total : 7,724.12

13 Vouchers in this report

Total vouchers : 7,724.12

Prepared by: *[Signature]*
Date: 8-9-17

Approved by: *[Signature]*
Date: 8-9-17

Bank code : ubgen		Invoice		PO #		Description/Account		Amount
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	Total :	Amount
116118	8/10/2017	12083 ANIMAL PEST MANAGEMENT	564643	51760	PEST CONTROL SERVICES	75.00		75.00
116119	8/10/2017	10876 CANON SOLUTIONS AMERICA INC	988884535 988887784	51837 51837	SCANNER MAINTENANCE PLOTTER MAINT & USAGE	66.10 72.97		139.07
116120	8/10/2017	10299 CARQUEST AUTO PARTS	11102-439882 11102-439957	51766 51766	VEHICLE REPAIR PART VEHICLE REPAIR PARTS	9.87 17.51		27.38
116121	8/10/2017	10405 CLEANTECH SAN DIEGO	1101		MEMBERSHIP RENEWAL	5,000.00		5,000.00
116122	8/10/2017	10333 COX COMMUNICATIONS	038997401		10601 N MAGNOLIA AVE	103.23		103.23
116123	8/10/2017	10057 ESGIL CORPORATION	07/24/17-07/28/17		SHARE OF FEES	13,102.60		13,102.60
116124	8/10/2017	10058 ETS PRODUCTIONS INC	12079	51814	SANTEE SUMMER CONCERTS	7,840.00		7,840.00
116125	8/10/2017	12638 GEORGE HILLS COMPANY, INC.	INV1012150	51851	ADMIN -LIABILITY CLAIMS	1,400.00		1,400.00
116126	8/10/2017	10066 GLOBALSTAR USA LLC	1000000008522808		SATELLITE PHONE SERVICE	55.61		55.61
116127	8/10/2017	10256 HOME DEPOT CREDIT SERVICES	8151548 8151549	51780 51780	STATION SUPPLIES EMS SUPPLIES	232.64 32.29		264.93
116128	8/10/2017	12779 JEFF HUGHES	Ref000043348		LI REFUND CST #18875	38.00		38.00
116129	8/10/2017	11233 JIMMIE JOHNSON'S KEARNY MESA	CTCS468856	51782	VEHICLE REPAIR	270.00		270.00

Voucher List
CITY OF SANTEE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
116129	8/10/2017	11233 JIMMIE JOHNSON'S KEARNY MESA	(Continued)			
116130	8/10/2017	11996 MES - MUNICIPAL EMERGENCY SVCS	IN1145488	51829	FIREFIGHTING SUPPLIES	Total : 270.00 1,543.52
116131	8/10/2017	10308 O'REILLY AUTO PARTS	2968-154575	51791	VEHICLE SUPPLIES	19.28
			2968-154757	51791	VEHICLE REPAIR PART	2.76
			CM-2968-154800	51791	CR-VEHICLE REPAIR PART	-2.76
					Total : 19.28	
116132	8/10/2017	10344 PADRE DAM MUNICIPAL WATER DIST	29701296		TEMPORARY METER	188.94
116133	8/10/2017	10446 PLAY WELL TEKNOLOGIES	DB12850		INSTRUCTOR PAYMENT	Total : 188.94 1,610.00
116134	8/10/2017	10521 PNC EQUIPMENT FINANCE LLC	6021700		2016 PIERCE PUMPER PYMT #2	96,830.65
			6021701		2016 PIERCE AERIAL PYMT #2	129,054.28
					Total : 225,884.93	
116135	8/10/2017	12533 PUBLIC AGENCY RISK	083850		MEMBERSHIP TO PARMA	150.00
116136	8/10/2017	10407 SAN DIEGO GAS & ELECTRIC	2237 358 004 2		TRAFFIC SIGNAL	Total : 150.00 4,277.26
116137	8/10/2017	11145 SESAC INC	747445		GENERAL EVENTS	793.00
116138	8/10/2017	10183 THE MIGHTY UNTOUCHABLES LLC	08242017		SANTEE SUMMER CONCERTS	Total : 793.00 1,500.00
116139	8/10/2017	10158 THE SOCO GROUP INC	0408891-IN	51802	DELIVERED FUEL	756.59
			CL05180	51803	FLEET CARD FUELING	894.61
					Total : 1,651.20	
116140	8/10/2017	10475 VERIZON WIRELESS	9789037085		WIFI SERVICE	608.16

Voucher List
CITY OF SANTEE

Bank code :	ubgen			Invoice	PO #	Description/Account	Amount	
Voucher	Date	Vendor						
116140	8/10/2017	10475 VERIZON WIRELESS		(Continued)			608.16	
116141	8/10/2017	12007 WALKENHORST, WILLIAM		080602017		PARAMEDIC LICENSE RENEWAL	240.00	
24 Vouchers for bank code : ubgen							Total :	240.00
24 Vouchers in this report							Bank total :	266,782.11
							Total vouchers :	266,782.11

Prepared by: *[Signature]*
 Date: 8-10-17
 Approved by: *[Signature]*
 Date: 8-10-17

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
116142	8/15/2017	10001 US BANK	0006		MEETING SUPPLIES	8.09
			001246		OFFICE AND MEETING SUPPLIES	47.40
			008091		EOC MATERIALS AND SUPPLIES	215.45
			010039		MEETING SUPPLIES	73.02
			014721		2017 TOXIC WASTE FEES	207.50
			030049		FUEL - ALAMO FIRE	85.00
			030064		FUEL - ALAMO FIRE	30.00
			04869		YARD STOCK - PARK REPAIRS	29.52
			06631		HAND TRUCK	123.73
			066537		DAY CAMP FIELD TRIP	1,713.00
			06730001559350		CHARGE MADE IN ERROR	15.06
			0673001559368		CR - CHARGE MADE IN ERROR	-15.06
			070417		SANTEE SALUTES	24.45
			07131740669		VEHICLE SUPPLIES	54.68
			0714/2017		RATER LUNCH	83.00
			071517		COUNCIL MEETING SUPPLIES	5.00
			0717052		ENGRAVING	22.50
			0811840		FUEL - MANZANITA FIRE	62.70
			092213		OFFICE SUPPLIES	24.83
			09808		TOOLS	28.30
			10		IRRIGATION PARTS - SUPPLIES	244.68
			103121522		MSA TRAINING	100.00
			1045853039		MATERIALS & SUPPLIES	49.00
			10659		DAY CAMP SUPPLIES	97.50
			11		IRRIGATION PARTS	140.62
			111-0908013-9236245		OFFICE SUPPLIES	86.50
			11163761		MATERIALS & SUPPLIES	198.20
			112446		MATERIALS & SUPPLIES	1,130.47
			112-723740--68898		PRINTER SUPPLIES	467.58
			113-4440826-3997024		STATION SUPPLIES	73.47
			113-5168868-9182653		STATION SUPPLIES	78.71
			113-6445184-7159421		STATION SUPPLIES	107.33
			114-0051939-1533037		EMS SUPPLIES	401.93
			114-2587086-4992213		EMS SUPPLIES	131.98
			11450401529		VEHICLE SUPPLIES	7.53
			11450646134		VEHICLE SUPPLIES	147.59

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
116142	8/15/2017	10001 US BANK	(Continued)			
			118252		DETWILER FIRE	6.83
			132469		VEHICLE SUPPLIES	1,111.34
			134515		DAY CAMP SUPPLIES	40.14
			14		IRRIGATION PARTS	130.63
			1401		SUMMER FACEBOOK PROMO	18.81
			1571406		MSA MEMBERSHIP	165.00
			17-0931		HOSE - FIRE STATION #4	198.21
			17103256001		VEHICLE SUPPLIES	15.49
			182001		SANTEE SALUTES	118.53
			187385		ICMA MEMBERSHIP RENEWAL	1,107.00
			2		IRRIGATION PARTS	16.24
			200485		FUEL - ALAMO FIRE	60.74
			200501		FUEL - ALAMO FIRE	36.65
			24755427		PEST CONTROL ROW EXAM FEE	50.00
			313015		EVENT REGISTRATION	66.50
			327729		MATERIALS & SUPPLIES	972.77
			35266		GENERAL EVENTS	73.03
			36768		SANTEE SALUTES	27.12
			375440		FOUNTAIN SUPPLIES	5.59
			3861		DAY CAMP SUPPLIES	14.71
			39109		PERMIT FEE	104.00
			4		WEED ABATEMENT SUPPLIES	162.31
			402891		FUEL - DETWILER FIRE	23.33
			4148		DETWILER FIRE	41.39
			438275		FUEL - ALAMO FIRE	20.91
			438283		FUEL - ALAMO FORE	60.66
			58428		KIOSK REPAIRS	31.47
			5868		SKATE PARK SUPPLIES	17.04
			605648		FUEL - DETWILER FIRE	27.88
			6128		SANTEE SALUTES	43.01
			618		DAY CAMP FIELD TRIP	456.62
			6253		INSTRUCTIONAL CLASS SUPPLIES	117.00
			64228		KIOSK REPAIRS - BIG ROCK PARK	27.02
			66833		TCCP REPAIR SUPPLIES	90.83
			6737		SENIOR PROGRAM TICKETS	130.00
			685302		CELL PHONE HOLSTER	32.31

Bank code : ubgen

Voucher 116142 Date 8/15/2017 Vendor 10001 US BANK

Invoice	PO #	Description/Account	Amount
(Continued)			
7075		OFFICE SUPPLIES	3.22
70884		TOOLS	28.06
7198314		BASKETBALL NETS	83.95
7787		DAY CAMP SUPPLIES	5.38
8480616		FUEL - DETWILER FIRE	37.51
86234		GENERAL EVENTS	17.24
9		TRASH BAGS	244.67
9026454		FUEL - DETWILER FIRE	75.40
943634519-001		BUSINESS CARDS	103.99
94585		VEHICLE SUPPLIES	19.64
94742		SANTEE SALUTES	180.00
99		DETWILER FIRE	8.08
CP056865		TCCPE WATER LINE REPAIR	481.03
e/5036848		FUEL - DETWILER FIRE	79.15
H50628/1		VEHICLE REPAIR PART	17.41
JKE5FO		AIRLINE TICKET	15.00
JKE5FO-a		AIRLINE TICKET	15.00
M496614		VEHICLE MAINTENANCE	100.00
S174572		STATION SUPPLIES	170.97
TZZD6DNAP2		SANTEE SUMMER CONCERTS	100.00
		Total :	13,708.07

1 Vouchers for bank code : ubgen

Bank total : 13,708.07

1 Vouchers in this report

Total vouchers : 13,708.07

Prepared by: *Alice Z*
Date: 8-15-17

Approved by: *[Signature]*
Date: 8-15-17

City of Santee
COUNCIL AGENDA STATEMENT

1D

MEETING DATE August 23, 2017

AGENDA ITEM NO.

ITEM TITLE APPROVAL OF A MERIT PAY INCREASE FOR THE CITY CLERK

DIRECTOR/DEPARTMENT Marlene Best, City Manager

SUMMARY

On August 23, 2017, a public employee performance evaluation for City Clerk Patsy Bell was conducted by the City Council in accordance with California Government Code Section 54957. As a result of this evaluation a merit pay increase was recommended which will adjust the annual salary for Ms. Bell from the current \$111,391.79 to \$118,075.30 effective August 24, 2017.

This action will result in no change in the approved annual salary band for the City Clerk position of \$86,342.77 to \$120,901.17.

jm
FINANCIAL STATEMENT

Sufficient funding is available in the adopted FY 2017-18 City Clerk Department personnel cost budget for the cost of the merit pay increase.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*

Approve a merit pay increase for City Clerk Patsy Bell from \$111,391.79 to \$118,075.30 annually effective August 24, 2017.

ATTACHMENTS

None

City of Santee
COUNCIL AGENDA STATEMENT

5A

(CONT. FROM 5/10/17)

MEETING DATE

August 23, 2017

AGENDA ITEM NO.

ITEM TITLE

ADOPTION OF RESOLUTIONS OF INTENTION AND RELATED ACTIONS INITIATING THE FORMATION OF TWO COMMUNITY FACILITIES DISTRICTS IN CONNECTION WITH THE FINANCING OF INFRASTRUCTURE AND PUBLIC SERVICES FOR THE WESTON (FORMERLY CASTLEROCK) DEVELOPMENT

DIRECTOR/DEPARTMENT

Tim K. McDermott, Finance *TKM*

SUMMARY

The City Council has taken several actions in connection with a request from Pardee Homes, Inc. ("Pardee") to form a Mello-Roos Community Facilities District ("CFD") to assist in the financing of various public improvements in connection with their Weston project. On April 13, 2016 the City Council approved deposit and reimbursement agreements to ensure that all costs of the proposed CFD formation will be paid by Pardee and authorized certain professional service agreements with key financing team consultants. On May 10, 2017 the City Council was provided with an overview of CFD financing and the Weston CFD financing proposal, directed staff to proceed with the development of the various documents required for subsequent City Council consideration of the CFD formation and approved Stifel Nicolas to serve as underwriter for any bonds to be issued in conjunction with the CFD.

Various documents have been prepared to take the next steps towards the formation of two CFDs, one to finance infrastructure/public facilities and one to finance public services. These documents include various resolutions whereby the City Council adopts boundary maps for the proposed CFDs, declares its intention to form the CFDs and to authorize the levy of special taxes to finance public facilities and services, sets separate public hearings for September 27, 2017 at which time the CFDs could be formed, declares the necessity to incur bonded indebtedness for the infrastructure CFD and takes various other actions related thereto.

In addition, one minor amendment is recommended to the City's Statement of Goals and Policies Regarding the Establishment of Community Facilities Districts as originally adopted by the City Council on September 12, 2007.

The attached staff report includes additional discussion and information.

FINANCIAL STATEMENT *TKM*

The proposed actions require no financial commitment by the City. The previously executed reimbursement and deposit agreements are designed to cover any costs incurred by the City arising out of its consideration of the formation of the CFDs.

CITY ATTORNEY REVIEW

N/A

Completed

RECOMMENDATION *MSB*

Adopt resolutions (6)

ATTACHMENTS (Listed Below)

1. Staff Report
2. Resolutions:
 - 1) Adopting Amended & Restated Statement of Local Goals & Policies Concerning Use of Mello-Roos Community Facilities Act of 1982
 - 2) Adopting Boundary Map for CFD No. 2017-1 (Weston Infrastructure)
 - 3) Declaring Intention to Establish CFD No. 2017-1 and to Authorize Levy of a Special Tax
 - Includes Description of Authorized Facilities and Rate and Method of Apportionment
 - 4) Declaring Necessity to Incur a Bonded Indebtedness of CFD No. 2017-1
 - 5) Adopting Boundary Map for CFD No. 2017-2 (Weston Municipal Services)
 - 6) Declaring Intention to Establish CFD No. 2017-2 and to Authorize Levy of a Special Tax
 - Includes Description of Authorized Services and Rate and Method of Apportionment

STAFF REPORT

ADOPTION OF RESOLUTIONS OF INTENTION AND RELATED ACTIONS INITIATING THE FORMATION OF TWO COMMUNITY FACILITIES DISTRICTS IN CONNECTION WITH THE FINANCING OF INFRASTRUCTURE AND PUBLIC SERVICES FOR THE WESTON (FORMERLY CASTLEROCK) DEVELOPMENT

CITY COUNCIL MEETING
August 23, 2017

Background

The Mello-Roos Community Facilities Act was adopted in 1982 to provide an alternative means for financing public infrastructure and services following the passage of Proposition 13. It has been amended many times to make it an increasingly useful tool, and to add additional requirements to protect the interests of taxpayers, sponsoring public agencies and bond investors. The key feature of the Mello-Roos Act is the creation of a financing district empowered to levy special taxes to finance a wide range of public improvements and services. The levy of the special tax requires a two-thirds vote of the qualified electors within the boundaries of the proposed community facilities district ("CFD"). The Mello-Roos Act provides that the qualified electors are the property owners when less than twelve registered voters reside in the proposed CFD. As such, it has become a useful tool for financing public improvements and services in connection with the original development of property.

In 2007, the City Council considered a request by Lennar Homes to form a CFD to finance various public improvements related to the Sky Ranch development. As a result, on September 12, 2007 the City Council adopted a Statement of Goals and Policies Regarding the Establishment of Community Facilities Districts. Lennar subsequently withdrew its request following the housing market collapse in 2008.

Project Overview

Pardee Homes, Inc. ("Pardee") has requested that the City form a CFD to assist in the financing of approximately \$7.9 million in public improvements for its Weston development (formerly known as the Castlerock development). Weston is anticipated to consist of 415 dwelling units, 142 of which will be configured as detached multiple-family condominiums. The remaining units will be two-story single-family units with attached two-car garages. The development will include a 4.5-acre improved public park at the north end, accessed from internal streets and from a north-south aligned public trail along the property's eastern boundary.

On April 13, 2016, the City Council took the first, preliminary actions in connection with considering the formation of CFDs for the Weston development, approving deposit and reimbursement agreements to ensure that any costs incurred by the City would be financed by Pardee as the applicant, and that tax-exempt bond proceeds, if issued, could be used to reimburse such costs. The City Council also authorized the hiring of several key members of the financing team, including the special tax consultant Albert A. Webb Associates ("Webb"), bond counsel Best Best & Krieger ("BB&K") and KNN Public Finance ("KNN") to serve as financial advisor.

On May 10, 2017, the City Council was provided with an overview of CFD financing and the Weston CFD financing proposal including formation of the two CFDs, one for the financing of various infrastructure improvements, the second to provide a funding mechanism to offset the incremental cost of City services in order to mitigate the impact of the Weston Project on the City's fiscal condition. The City Council directed staff to proceed with the development of the various resolutions and other documents required for subsequent consideration of forming the CFDs, and approved Stifel Nicolas to serve as underwriter for any bonds to be issued in conjunction with the CFDs.

Official Actions to Initiate Proceedings

City staff and the financing team, in cooperation with the developer (Pardee), have worked to develop the initial resolutions required to officially begin the City's formation of the two CFDs. These resolutions are summarized below:

1. **Resolution Adopting an Amended and Restated Statement of Local Goals and Policies Concerning the Use of the Mello-Roos Community Facilities Act:** As required by State law prior to forming a CFD, the City adopted Goals and Policies in 2007 in connection with the proposed Sky Ranch CFD. In working on the Weston transaction, it has been determined that two amendments to these policies would be appropriate. The original policies required that a special report called an absorption study be completed before formation of a CFD. This report is more appropriately completed at the time bonds are issued, as it is typically included in the bonds' official statement (a municipal bond prospectus). The policies also call for the special tax on residential properties to be levied at the maximum rate in the first year of the levy, which is typical to ensure that sufficient funds are available. Adjustments are made in subsequent years to adjust for any over-levy in the prior year. The policies are amended to clarify that the first year levy will be based on the expected maximum tax, and not including additional taxes designed to ensure sufficiency in an extreme worse-case scenario.
2. **Resolution Adopting a Boundary Map and Resolution Declaring Intention to Establish Community Facilities District No. 2017-1 (Weston Infrastructure) and to Authorize the Levy of a Special Tax to Finance the Acquisition or Construction of Certain Public Facilities:** These two resolutions formally initiate the proceedings to finance various street, bridge, park and other improvements by the levy of a special tax that will be used to pay debt service on bonds. Among its various specific actions are:
 - Establishing the boundaries of the CFD;
 - Describing the improvements to be financed;
 - Approving the rate and method of apportioning special taxes;
 - Setting a required public hearing on the matter for September 27, 2017; and
 - Calling for an election to approve a special tax, which given the current absence of registered voters in the district, will be by the property's landowner.

Attached as "Exhibit A" to the Resolution of Intention is a description of the authorized facilities that would be eligible to be financed by CFD No. 2017-1. Attached as "Exhibit B" to the Resolution of Intention is report prepared the City's special tax consultant called the "Rate and Method of Apportionment" (or RMA). This report describes in detail the method by which the special tax will be calculated against both developed

and undeveloped property. The tax rates are designed to ensure, under all circumstances, that the special tax will be sufficient to pay all debt service on any bonds that are issued as well as to pay the City's costs of administering the district. The assigned special tax rates for single-family homes would range from \$1,230 to \$1,895 a year per unit (depending on building square footage) any may not escalate in future years.

3. **Resolution Declaring the Necessity to Incur a Bonded Indebtedness of CFD No. 2017-1 (Weston Infrastructure) to be Secured by Special Taxes:** This resolution is required by law to establish the City's intention, if the CFD is eventually established, to issue Mello-Roos bonds. It establishes the maximum par amount of bonds that could be issued at \$10.3 million.

4. **Resolution Adopting a Boundary Map and Resolution Declaring Intention to Establish Community Facilities District No. 2017-2 (Weston Municipal Services):** Similar to the resolutions for CFD No. 2017-1 (Weston Infrastructure) as discussed in paragraph (1) above, these two resolutions formally initiate the proceedings to provide a funding mechanism offset the incremental cost of City services in order to mitigate the impact of the Weston Project on the City's fiscal condition. Among its various specific actions are:
 - Establishing the boundaries of the CFD;
 - Describing the services to be funded;
 - Approving the rate and method of apportioning special taxes;
 - Setting a required public hearing on the matter for September 27, 2017; and
 - Calling for an election to approve a special tax, which given the current absence of registered voters in the district, will be by the property's landowner.

Attached as "Exhibit A" to the Resolution of Intention is a description of the authorized services that may be funded with the proceeds of special taxes levied within CFD No. 2017-2. Attached as "Exhibit B" to the Resolution of Intention is the "Rate and Method of Apportionment" (or RMA) which describes in detail the method by which the special tax will be calculated against both developed and undeveloped property. As reflected in both of these exhibits, a Special Tax "A" and a contingent Special Tax "B" are proposed for CFD No. 2017-2.

Special Tax A is expected to be levied every year and is designed to cover the Weston development's net fiscal impact resulting from all public services to be provided by the City including but not limited to police protection, law enforcement, fire protection, ambulance and paramedic services, code enforcement, animal control, park maintenance and operations, street maintenance and lighting, etc. The **maximum** Special Tax "A" rate for single family homes would be \$272 a year per unit, with an annual escalation based on the greater of the change in the San Diego Consumer Price Index or 3.5%.

Special Tax B is a contingent special tax that could only be levied following the occurrence of a "Failure to Perform" (as described in the RMA) by a future homeowners' association (HOA) in the maintenance, repair or replacement of storm water and/or drainage facilities. These facilities are not being accepted by the City and

will be the responsibility of the HOA. Contingent Special Tax B would provide a source of funds for addressing storm water and drainage facilities issues in the future in case of a "Failure to Perform" by the HOA. The **maximum** Special Tax "B" (Contingent) rate for single family homes would be \$468 a year per unit, with an annual escalation based on the greater of the change in the San Diego Consumer Price Index or 3.5%.

With both CFD No. 2017-1 (Weston Infrastructure) and CFD No. 2017-2 in place, and excluding contingent Special Tax B, the projected total property tax rate would range from 1.45% to 1.47%. With contingent Special Tax B included, the projected total property tax rate would range from 1.52% to 1.55%. Both scenarios are well within the maximum allowable total tax rate of 2.0% as stated in the City's Goals and Policies Regarding the Establishment of Community Facilities Districts.

Future Steps

The City Council will need to take the following actions in the future to complete the CFD process, as summarized below.

- **Public hearings:** The City Council holds separate public hearings for each of the proposed CFDs and determines if there is a majority protest of the registered voters or property owners against the formation of the CFDs. It is anticipated that the public hearings would be brought before the City Council on September 27, 2017
- **Adoption of a Resolution of Formation and election of property owners:** Upon the conclusion of the public hearings, provided there is not a majority protest against the formation of the CFDs, the City Council may adopt resolutions forming the CFDs and submit the levy of special taxes to the property owners as the qualified electors of the CFDs. Once the property owner elections have been completed and two-thirds of votes cast are in favor of levying the special taxes, the City Clerk will record special tax liens against the property within the CFDs. The adoption of the Resolution of Formation and election of the property owners is typically done at the same meeting as the public hearing. At this meeting the Council may also approve a resolution determining the necessity for CFD No. 2017-1 (Westin Infrastructure) to incur bonded indebtedness. It is anticipated that these actions would be brought before the City Council on September 27, 2017.
- **Issuance of bonds and the levy of taxes:** The actual issuance of the bonds is expected to occur after development has begun. Although the exact threshold for the amount of development that the City will require before issuing bonds has yet to be determined, the issuance is most likely to occur in 2018. The bond issuance requires the completion of various documents, including bond documents prepared by bond counsel (BB&K) and a preliminary official statement prepared by disclosure counsel. The preliminary official statement will include a description of the bonds, the security for the bonds, the CFD, the developer and the RMA, an appraisal, and the aforementioned absorption study to validate expected housing prices and sales rates. The bonds will be sold to investors by the underwriter (Stifel). The City's financial advisor (KNN) will coordinate the efforts of the various consultants along with City staff and will validate the bond pricing. A resolution approving these various documents will be presented to the City Council at the appropriate time.

Conclusion

While the actions recommended herein represent the next steps towards the formation of CFDs for the Weston development, they do not commit the City or Pardee to the formation or bond financing. Several additional steps will be required as previously outlined in this report.

Recommendation

Staff recommends that the City Council adopts the following resolutions presented in connection with establishing its intention to form two Community Facilities Districts for the Weston Project to finance certain infrastructure improvements and certain City services.

1. Resolution Adopting an Amended and Restated Statement of Local Goals and Policies Concerning the Use of the Mello-Roos Community Facilities Act of 1982
2. Resolution Adopting a Boundary Map Showing the Boundaries of the Territory Proposed for Inclusion in Proposed Community Facilities District No. 2017-1 (Weston Infrastructure)
3. Resolution Declaring Intention to Establish Community Facilities District No. 2017-1 (Weston Infrastructure) and to Authorize the Levy of a Special Tax Therein to Finance the Acquisition or Construction of Certain Public Facilities
4. Resolution Declaring the Necessity to Incur a Bonded Indebtedness of Community Facilities District No. 2017-1(Weston Infrastructure) to be Secured by Special Taxes Levied within Such Community Facilities District to Pay for the Acquisition or Construction of Certain Public Facilities
5. Resolution Adopting a Boundary Map Showing the Boundaries of the Territory Proposed for Inclusion in Proposed Community Facilities District No. 2017-2 (Weston Municipal Services)
6. Resolution Declaring Intention to Establish Community Facilities District No. 2017-2 (Weston Municipal Services) and to Authorize the Levy of a Special Tax Therein to Finance Municipal Services

RESOLUTION NO. 2017-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
ADOPTING AN AMENDED AND RESTATED STATEMENT OF LOCAL GOALS
AND POLICIES CONCERNING THE USE OF THE MELLO-ROOS COMMUNITY
FACILITIES ACT OF 1982, AS AMENDED**

WHEREAS, the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, provides that a local government, including the City of Santee (the "City") may initiate proceedings to establish a community facilities district pursuant to the Act only if the legislative body thereof has first considered and adopted local goals and policies concerning the use of the Act; and

WHEREAS, the City Council previously adopted the "City of Santee Statement of Goals and Policies for the Use of the Mello-Roos Community Facilities Act of 1982" (the "Goals and Policies") on September 12, 2007; and

WHEREAS, the Goals and Policies, as established, state that an independent absorption study of any proposed residential development project within a proposed community facilities district shall be required for the formation of such community facilities district; and

WHEREAS, the City Council desires to amend the Goals and Policies to make certain clarifications and to require an independent absorption study of any proposed residential development project within a proposed community facilities district prior to the issuance of bonds of such community facilities district rather than upon formation of such proposed community facilities district; and

WHEREAS, the City Council desires to amend the Goals and Policies to incorporate such clarifications.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

Section 1. The above recitals are all true and correct.

Section 2. The "Amended and Restated City of Santee Statement of Goals and Policies for the Use of the Mello-Roos Community Facilities Act of 1982" (the "Amended Goals and Policies") attached as Exhibit "A" hereto and incorporated herein by this reference is hereby adopted. A copy of the Amended Goals and Policies shall be kept on file in the Office of the City Clerk.

[Remainder of this page intentionally left blank.]

Section 3. This resolution shall become effective upon its adoption.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 23rd day of August, 2017, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED

JOHN W. MINTO, MAYOR

ATTEST

PATSY BELL, CMC, CITY CLERK

Attachments: Exhibit A

EXHIBIT A

EXHIBIT A**CITY OF SANTEE****AMENDED AND RESTATED
STATEMENT OF GOALS AND POLICIES
REGARDING THE ESTABLISHMENT OF
COMMUNITY FACILITIES DISTRICTS****PURPOSE AND SCOPE**

The City Council of the City of Santee (the "City Council") hereby establishes and states its goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 of Part I of Division 2 of Title 5 of the Government Code of the State of California) (the "Act"), as amended, in providing adequate public infrastructure improvements and public services for the City of Santee (the "City"). The following goals and policies shall apply to all community facilities districts hereafter formed or proposed to be formed by the City. Any policy or goal stated herein may be supplemented, amended or waived by resolution or motion adopted by the City Council.

The purpose of this Statement of Goals and Policies is to provide the City staff, the residents of the City and the owners and developers of property located within the City with guidance in the application for and consideration of the establishment of community facilities districts within the City for the purpose of financing or assisting in financing the acquisition or construction of public infrastructure or the provision of authorized public services to benefit and serve either existing or new development or a combination thereof. The underlying principles behind this policy are the protection of the public interest, assuring fairness in the application of special taxes to current and future property owners, assuring full disclosure of the existence of any special tax liens, insuring the creditworthiness of any community facilities district special tax bonds, protecting the City's credit rating and financial position and assuring that applicants for all community facilities district proceedings other than City initiated proceedings pay all costs associated with the formation of any community facilities district.

The scope of this policy is limited to the proposed formation of community facilities districts for the limited purpose of financing or assisting in financing the acquisition or construction of public infrastructure and/or the provision of authorized public services.

INTRODUCTORY STATEMENT

The City will consider applications initiated by owners or developers of vacant property proposed to be developed, owners of property within existing developed areas or registered voters residing in existing developed areas or the City itself for the establishment of community facilities districts to finance authorized public improvements or to provide authorized public services which benefit or serve existing or new development or a combination thereof. A community facilities district proposed to be established to finance public improvements or authorized services to serve new development may be referred to as a "Development Related CFD."

Each application for the establishment of a community facilities district must comply with the applicable goals and policies contained herein unless the City Council expressly grants an exception to or waiver of such policy or policies as they apply to a specific application.

FINDING OF PUBLIC INTEREST OR BENEFIT

The City Council may authorize the initiation of proceedings to form a community facilities district to finance authorized public improvements or to provide authorized public services if the City Council determines that the public improvements to be financed or public services to be provided or, in the case of a Development Related CFD, the attributes of the new development will provide, in the opinion of the City Council, a public benefit to the community at large as well as the benefit to be derived by the properties within the community facilities district.

Examples of public benefit to the community at large may include, but are not limited to, the following:

1. Construction of a major public facility which meets a community need including, but not limited to, a major arterial which will provide a vital roadway facility to alleviate congestion, water storage facilities which will remedy inadequate fire flow, and storm drainage facilities which are a part of the storm drainage master plan.
2. Provision of public infrastructure sooner than would otherwise be required for a particular development project.
3. Construction of public infrastructure to serve commercial or industrial projects which will expand the City's employment and/or sales tax base.
4. Provision of new development that meets specific land use goals and objectives of the City.
5. Provision of maintenance or other authorized public services such as landscaping, lighting, storm drain, flood control or open space maintenance necessary to promote or maintain quality of life and public safety within existing or developing areas of the City.

AUTHORIZED PUBLIC FACILITIES

Facilities eligible to be financed by a community facilities district must, upon the completion of the construction or acquisition thereof financed through such a community facilities district, be owned by the City, another public agency or a public utility and must have a useful life of five (5) years or more. The list of eligible facilities include, but are not limited to, the types of facilities specified in Government Code Section 53313, as it currently exists, or may hereafter be amended.

The funding of facilities to be owned, operated or maintained by public agencies other than the City shall be considered on a case-by-case basis. If such facilities are consistent with the approved land use plans for the proposed community facilities district, the City may consider entering into a joint community facilities agreement in order to permit the financing of such facilities through such community facilities district.

The City Council shall have the final determination as to the eligibility of any facility for financing.

PRIORITIZATION OF FACILITIES

It is the policy of the City to give first priority to the provision of public facilities benefiting the City in any community facilities district established by the City. It is secondarily the policy of the City, in any community facilities district established by the City, to assist in the financing of other public facilities to be owned, operated or maintained by other public agencies or public utilities. The City Council shall have the final determination as to the prioritization of financing of any facilities.

AUTHORIZED PUBLIC SERVICES

Except as provided in the following paragraph, public services proposed to be financed through a community facilities district may include such services as may be authorized by the Act. The City Council shall have the final determination as to the prioritization of financing of such services.

A community facilities district formed by the City may not finance public services provided by any other public agency.

SPECIAL TAX REQUIREMENTS

Reasonable Basis of Apportionment.

Special taxes must be allocated and apportioned on a reasonable basis to all categories and classes of property (other than exempt property) within the community facilities district. Exemptions from the special tax may be given to parcels which are publicly owned, are held by property owners associations, are used for a public purpose such as permanent open space or wetlands, or are affected by public utility easements making impractical their utilization for other than the purposes set forth in the easement.

Maximum Special Taxes and Aggregate Tax and Assessment Burden.

It is the policy of the City that the maximum annual special tax applicable to any parcel used for residential purposes within a community facilities district formed by the City shall not exceed one percent (1%) of the base sale price, i.e., excluding upgrades and lot premiums, of residential properties to be subject to the levy of the special tax (the "Developed Residential Properties"), determined prior to the issuance of special tax bonds for the community facilities district. The base sales price of such Developed Residential Properties shall be based upon (a) a price point analysis undertaken by a market absorption consultant retained by the City or (b) a price point analysis undertaken by a market absorption consultant retained by the applicant for a proposed community facilities district and which conclusions have been verified by a market absorption consultant retained by the City. As a distinct and separate requirement, the total of the following property taxes, assessments and special taxes described below, shall not exceed two (2%) of such base sales price of Developed Residential Properties:

- A. Ad valorem property taxes.
- B. Voter approved ad valorem property taxes in excess of one percent (1%) of the assessed value of the subject properties.
- C. The maximum annual special taxes levied by the community facilities district under consideration and any other community facilities district or other public agency.
- D. The annual assessment installments, including any administrative surcharge, for any existing assessment district where such assessment installments are utilized to pay debt service on bonds issued for such assessment district.
- E. Annual assessments levied within an assessment district to pay for maintenance or services.

The foregoing requirement shall apply not only to property taxes, assessments and special taxes which are being levied at the time of formation of the community facilities district but such additional property taxes, assessments and special taxes which have been authorized but not yet levied, as estimated by the City.

Rate and Method of Apportionment of Special Taxes.

The rate and method of apportionment of the special tax for any community facilities district shall adhere to the following requirements:

- A. The rate and method of apportionment for special taxes for a community facilities district must be structured so as to produce special tax revenues sufficient to (a) pay scheduled debt service on all bonds issued for the community facilities district (the "Bonds"), (b) pay annual services or maintenance expense if applicable, (c) pay amounts equal to existing or projected delinquencies in special tax payments, (d) fund any amounts required to establish or replenish any reserve fund established for such Bonds, and (e) pay reasonable and necessary annual administrative expenses of the community facilities district. Additionally, the rate and method of apportionment may be structured so as to produce amounts sufficient to fund (a) amounts to pay directly the costs of public facilities authorized to be financed by the community facilities district, (b) the accumulation of funds reasonably required for future debt service on Bonds, (c) remarketing, credit enhancement or liquidity fees, and (d) any other costs or payments permitted by law. The special tax revenues necessary to fund all required expenses or deposits for a community facilities district may be referred to as the "Special Tax Requirement."
- B. In any case, the rate and method of apportionment must be structured such that the projected maximum special tax that could be levied in any fiscal year would produce special tax revenues at least equal to (a) 110% of projected annual debt service on all Bonds for the calendar year commencing in such fiscal year, plus (b) projected administrative expenses of the community facilities district for the calendar year commencing in such fiscal year.
- C. A backup special tax shall be required for any Development Related CFD to protect against changes in density resulting in the generation of insufficient special tax revenues to pay annual debt service and administrative expenses. The City Council may additionally or alternatively require that as a condition of approval of the downsizing of the development in a Development Related CFD at the request of the applicant or the applicant's successor-in-interest, as applicable, must prepay such portion of the special tax obligation as may be necessary in the determination of the City to ensure that adequate debt service coverage exists with respect to any outstanding bonds or otherwise provides security in a form and amount deemed necessary by the City Council to provide for the payment of debt service on the bonds.
- D. An option to permit the prepayment, in whole or in part, of the special tax obligation for an individual parcel shall be included in any rate and method of apportionment of special taxes to pay for public facilities. Such prepayment shall be permitted only if (a) the payment of all special taxes for such a parcel is current and (b) following such prepayment, the projected maximum special taxes that could be levied in any fiscal year on all remaining taxable property within the community facilities district will produce the special tax revenues required in paragraph B above. No prepayment shall be permitted of a special tax levied to finance authorized services or maintenance.
- E. The expected maximum special tax to pay for public facilities shall be levied against any parcel used for private residential purposes in the first fiscal year that such parcel is taxed as developed property and such maximum special tax may not escalate.

F. The rate and method of apportionment of a special tax to pay for public facilities shall specify a fiscal year beyond which the special tax may not be levied on any parcel used for private residential purposes. In most cases, that final date will be ten (10) years after the stated maturity of any bonds issues. Such a special tax will cease to be levied when all bonds and the City's administrative costs have been paid. A special tax to pay for public services or maintenance shall have no termination date unless established by the City Council.

CREDIT QUALITY REQUIREMENTS FOR SPECIAL TAX BONDS

Terms and Conditions of Special Tax Bonds.

All terms and conditions of any special tax bonds issued by the City for any community facilities district, including, without limitation, the sizing, timing, term, interest rates, discount, redemption features, flow of funds, investment provisions and foreclosure covenants, shall be established by the City. Each special tax bond issue shall be structured to adequately protect bond owners and to avoid negatively impacting the City's access to the municipal bond market. Unless otherwise approved by the City Council, the following shall serve as minimum bond requirements:

A. A reserve fund shall be established for each bond issue to be funded out of the bond proceeds in an amount equal to 10% of the original proceeds of the bonds or such lesser amount as may be required by federal tax law.

B. Interest shall be capitalized for a bond issue only so long as necessary to place the special tax installments on the assessment roll; provided, however, interest may be capitalized for a term to be established in the sole discretion of the City Council on a case-by-case basis, not to exceed an aggregate of 18 months, taking into consideration the value-to-debt ratio, the expected timing of initial occupancies, expected absorption and buildout of the project, the expected construction and completion schedule for the public improvements to be funded from the proceeds of the bond issue in question, the size of the bond issue, the development pro forma and the equity position of the applicant and such other factors as the City Council may deem relevant. Irrespective of the term or amount of capitalized interest included in any bonds issued for a community facilities district, the expected maximum special tax shall be levied against any parcel used for private residential purposes in the first fiscal year such parcel is taxed as developed property.

C. In instances where multiple series of bonds are to be issued, the City shall determine what improvements shall be financed from the proceeds of each series of bonds.

D. The City shall not be required or expected to make any payment of the bonds out of its general funds or other available funds. The sole source of revenue for the payment of the bonds shall be the special taxes, capitalized interest, if any, and moneys on deposit in the reserve fund established for such bonds.

Credit Enhancement.

Where a substantial amount of a property within a community facilities district is undeveloped at the time of issuance of Bonds for such community facilities district, the City may, in its discretion, require credit enhancement to increase the security of the Bonds, particularly where the value-to-debt ratio of a significant portion of the property in such community facilities district is less than 4:1, or in such other situations where the City determines such an increase in credit quality to be necessary, appropriate or prudent. Such credit enhancement will usually be in the form of an irrevocable standby letter of credit, will be required to be in an amount not less than 200% of the share of debt service allocable to the applicable developer owned parcels for which such credit enhancement is required and will be required to remain in effect until the share of debt service allocable to such developer owned parcels is less than 20% of the annual debt service on all outstanding bonds issued for such community facilities district. The credit enhancement will generally be required to be issued or guaranteed by an entity, the long term unsecured obligations of which are rated at least "A" by Moody's Investor Service or S&P Global Ratings.

REQUIRED-VALUE-TO-DEBT RATIO

It is the policy of the City that the value-to-debt ratio, i.e., the full market value of the properties subject to the levy of special taxes, including the value of the improvements to be financed from the proceeds of the issue or series of special tax bonds for which the value-to-debt ratio is being computed, compared to the aggregate amount of the special tax lien proposed to be created plus any prior fixed assessment liens and/or special tax liens, for a community facilities district must be at least 4:1. A community facilities district with a value-to-debt ratio of less than 4:1 but equal to or greater than 3:1 may be approved, in the sole discretion of the City Council, upon a determination by the City Manager, after consultation with the Finance Director, the bond counsel, the underwriter and the financial advisor, that a value-to-debt ratio of less than 4:1 is financially prudent under the circumstances of the particular community facilities district. In addition, the City Council may, in its sole discretion, accept a form or forms of credit enhancement such as a letter of credit, bond insurance or the escrow of bond proceeds to offset a deficiency in the required value-to-debt ratio as it applies to the taxable property within the community facilities district in the aggregate or with respect to any development area.

The value-to-debt ratio shall be determined based upon the full market value of the properties subject to the levy of the special tax as shown on the ad valorem assessment roll or upon an appraisal of the properties proposed to be assessed. The City Manager may require that the value-to-debt ratio be determined by an appraisal if, in his judgment, the assessed values of the properties proposed to be assessed do not reflect the current full cash value of such properties. The appraisal shall be coordinated by, done under the direction of, and addressed to the City. The appraisal shall be undertaken by a state certified real estate appraiser, as defined in Business and Professions Code Section 11340. The appraiser shall be selected and retained by the City. The costs associated with the preparation of the appraisal report shall be paid by the applicant for the community facilities district, but shall be subject to possible reimbursement as provided for herein. The appraisal shall be conducted in accordance with assumptions and criteria established by the City, based upon the definitions, standards and assumptions contained in the following section.

APPRAISALS

The definitions, standards and assumptions to be used in appraisals required in connection with the City's use of the Act for community facilities districts are as set forth in the Appraisal Standards for Land Secured Financings published by the California Debt Advisory Commission and originally dated May 1994 and modified July 2004 (the "CDIAC Guidelines").

Notwithstanding the foregoing, if there is a conflict between the definitions, standards or assumptions in the CDIAC Guidelines and the corresponding definitions, standards or assumptions in the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation ("USPAP"), USPAP shall govern.

ABSORPTION STUDY

An independent absorption study of any proposed residential development project within a proposed community facilities district, and in such other cases as may be appropriate, shall be required prior to the issuance of special tax bonds for such community facilities district. The independent absorption study shall be used (1) as a basis to verify proposed base pricing of the finished products (lots or completed buildings or dwelling units) subject to the levy of the special tax, (2) to determine the projected market absorption of such finished products and (3) as a basis for verification that sufficient special tax revenues can be generated to fund the Special Tax Requirement for the community facilities district. The City may require an independent absorption study of any proposed industrial or commercial development within a proposed community facilities district. Additionally, the projected absorption rates will be provided to the appraiser for use in the appraisal.

DISCLOSURE TO PROPERTY PURCHASERS IN DEVELOPMENT RELATED CFD'S

The developer of property within a Development Related CFD who is selling lots, parcels or developed properties therein shall provide disclosure notice to prospective purchasers that complies with all of the requirements of the Act, including but not limited to Government Code Section 53341.5.

The applicant must keep an executed copy of each disclosure document and agree to provide a copy of all applicable executed disclosure documents to the City upon request.

PREFORMATION COST DEPOSITS AND REIMBURSEMENTS

Except for those applications for community facilities districts where the City is the applicant, all City and consultant costs incurred in the proceedings to form a community facilities district and issue special tax bonds therefor will be paid by the applicant by advance deposit with the City of moneys sufficient to pay all such costs.

Each application for the formation of a community facilities district shall be accompanied by an initial deposit in an amount to be determined by the City Manager or the Director of Finance to be adequate to fund the evaluation of the application and undertake the proceedings to form the community facilities district and issue the special tax bonds therefor. The City Manager or the Director of Finance may, in his or her sole discretion, permit an applicant to make periodic

deposits to cover such expenses rather than a single lump sum deposit; provided, however, no preformation costs shall be incurred by the City in excess of the amount then on deposit for such purposes. If additional funds are required to pay required preformation costs, the City Manager or the Director of Finance may make written demand upon the applicant for such additional funds and the applicant shall deposit such additional funds with the City within seven (7) working days of the date of receipt of such demand. Upon the depletion of the funds deposited by applicant for preformation costs, all proceedings shall be suspended until receipt by the City of such additional funds as the City Manager or the Director of Finance may demand.

The deposits shall be used by the City to pay for costs and expenses incurred by the City incident to the evaluation of the application and the proceedings for the formation of the community facilities district and the issuance of the special tax bonds therefor, including, but not limited to, legal, special tax consultant, engineering, appraisal, market absorption, financial advisor, City administrative and staff costs and expenses, required notifications, printing and publication costs.

The City shall refund any unexpended and unencumbered portion of the deposits upon the occurrence of one of the following events:

- A. The formation of the community facilities district and the issuance of the special tax bonds for such community facilities district;
- B. The formation of the community facilities district or the issuance of the special tax bonds is disapproved by the City Council;
- C. The proceedings for the formation of the community facilities district and the issuance of the special tax bonds are abandoned at the written request of the applicant; or
- D. It is determined for some other reason that the special tax bonds may not be issued and sold.

Except as otherwise provided herein, the applicant shall be entitled to reimbursement of all amounts deposited with the City to pay for costs incident to the proceedings for the formation of the community facilities district and the issuance of the special tax bonds therefor upon the formation of the community facilities district and the successful issuance and sale of the special tax bonds for the community facilities district. Any such reimbursement shall be payable solely from the proceeds of the special tax bonds.

The City shall not accrue or pay interest on any moneys deposited with the City.

SELECTION OF CONSULTANTS

The City shall select and retain all consultants necessary for the evaluation of any application and the proceedings for the formation of a community facilities district and the issuance of the special tax bonds therefor, including, but not limited to, special tax consultant, bond counsel, disclosure counsel, financial advisor, underwriter, appraiser, and market absorption analyst after consultation with the applicant.

LAND USE APPROVALS

Properties proposed to be included in a Development Related CFD must have received such discretionary land use approvals as may, in the determination of the City, be necessary to enable the City to adequately evaluate the community facilities district including the properties to be included and the improvements proposed to be financed. The City will issue bonds secured by the levy of special taxes within a Development Related CFD only when (i) the properties included within such community facilities district have received those applicable discretionary land use approvals which would permit the development of such properties consistent with the assumptions utilized in the development of the rate and method of apportionment of the special taxes for such community facilities district and (ii) applicable environmental review has been completed. The final rate and method of apportionment of the special taxes approved at the time of the adoption of the resolution of formation of a community facilities district will be based upon the final map of the property within the community facilities district. Bond proceeds will only be released to the extent that such bonds are secured by the levy of special taxes on properties that require no further discretionary land use approvals or regulatory permits the denial of which could prohibit or delay the development of such property, including but not limited to, rough or finish grading, construction of both in tract and offsite public improvements, construction of all private improvements and/or the issuance of building permits for such property.

It is the policy of the City Council in granting approval for development such as zoning, specific plan or subdivision approval to grant such approval as a part of the City's ongoing planning and land use approval process. In granting such approval, the City reserves such rights as may be permitted by law to modify such approvals in the future as the City Council determines the public health, safety, welfare and interest may require. Such approval when granted is subject to a condition that the construction of any part of the development does not, standing alone, grant any rights to complete the development of the remainder of such development. Construction of public improvements to serve undeveloped land financed through a community facilities district shall not vest any rights to the then existing land use approvals for the property assessed for such improvements or to any particular level, type or intensity of development or use. Applicants for a Development Related CFD must include an express acknowledgment of this policy and shall expressly waive on their behalf and on behalf of their successors and assigns any cause of action at law or in equity including, but not limited to, taking or damaging of property, for reassessment of property or denial of any right protected by USC Section 1983 which might be applicable to the properties to be assessed.

RESOLUTION NO. 2017-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
ADOPTING A BOUNDARY MAP SHOWING THE BOUNDARIES OF THE
TERRITORY PROPOSED FOR INCLUSION IN PROPOSED COMMUNITY
FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE) OF THE CITY
OF SANTEE**

WHEREAS, the City of Santee (the "City") desires to initiate proceedings to create a community facilities district pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, for the purpose of providing an alternative method of financing certain public facilities necessary to serve new development within such community facilities district; and

WHEREAS, such community facilities district shall hereinafter be designated as Community Facilities District No. 2017-1 (Weston Infrastructure) of the City of Santee ("CFD No. 2017-1"); and,

WHEREAS, there has been submitted a map showing the boundaries of the territory proposed to be included in CFD No. 2017-1 including properties and parcels of land proposed to be subject to the levy of the special tax by CFD No. 2017-1.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

Section 1. The above recitals are all true and correct.

Section 2. The map designated as "Proposed Boundary Map of Community Facilities District No. 2017-1 (Weston Infrastructure), City of Santee, County of San Diego, State of California" (the "CFD No. 2017-1 Boundary Map") showing the boundaries of the territory proposed for inclusion in CFD No. 2017-1 upon the initial establishment of CFD No. 2017-1, including properties and parcels of land proposed to be subject to the levy of the special tax by CFD No. 2017-1, is hereby approved and adopted.

Section 3. A certificate shall be endorsed on the original and on at least one (1) copy of the CFD No. 2017-1 Boundary Map, evidencing the date and adoption of this resolution, and within fifteen (15) days after the adoption of the resolution fixing the time and place of the hearing on the establishment or extent of CFD No. 2017-1, a copy of such map shall be filed with the correct and proper endorsements thereon with the County Recorder, all in the manner and form provided for in Sections 3110 and 3111 of the Streets and Highways Code of the State of California.

[Remainder of this page intentionally left blank.]

Section 4. This resolution shall become effective upon its adoption.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 23rd day of August, 2017, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED

JOHN W. MINTO, MAYOR

ATTEST

PATSY BELL, CMC, CITY CLERK

Attachment A

PROPOSED BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)
CITY OF SANTEE
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF
SANTEE THIS ____ DAY OF _____, 2017.

CITY CLERK _____
CITY OF SANTEE

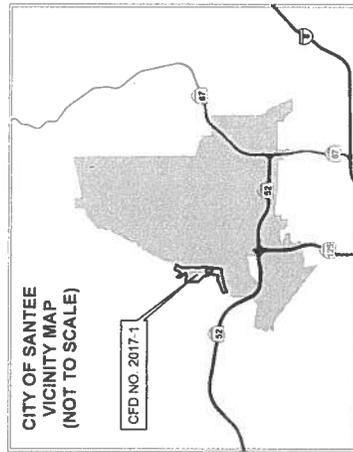
I, HEREBY CERTIFY THAT THE WITHIN MAP SHOWING
THE PROPOSED BOUNDARIES OF COMMUNITY FACILITIES
DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE), CITY OF
SANTEE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA,
WAS APPROVED BY THE CITY COUNCIL OF THE CITY
OF SANTEE, AT A REGULAR MEETING THEREOF,
HELD ON ____ DAY OF _____, 2017.
BY ITS RESOLUTION NO. _____.

CITY CLERK _____
CITY OF SANTEE

FILED THIS ____ DAY OF _____, 2017 AT THE
HOUR OF ____ O'CLOCK ____ M. IN BOOK ____ PAGE ____ OF
MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS
AND AS INSTRUMENT NO. _____
IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF
SAN DIEGO, STATE OF CALIFORNIA.

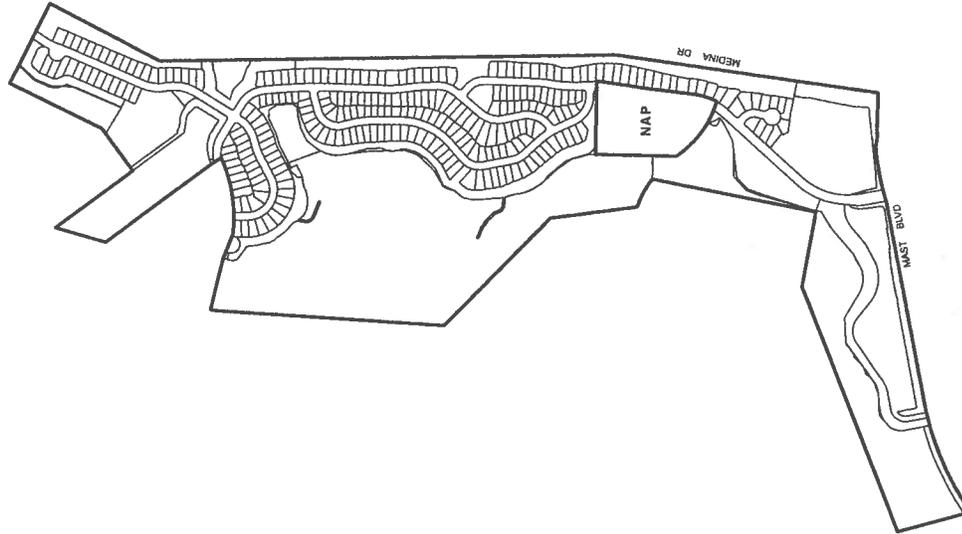
FEE: _____ NO.: _____
ERNEST J. DRONENBURG, JR., ASSESSOR, COUNTY CLERK,
RECORDER

BY: _____ DEPUTY



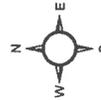
ALBERT A. WEBB
A.S.SOCIATES
ENGINEERING CONSULTANTS
THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES
OF THE COMMUNITY FACILITIES DISTRICT. FOR DETAILS
CONCERNING THE LINES AND DIMENSIONS OF LOTS OR
PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR
FISCAL YEAR 2017-2018.

- APNs
- 3660510100 - 3660515900
 - 3660520100 - 3660521400
 - 3660530100 - 3660533300
 - 3660904600 - 3660906600
 - 3660906800 - 3660907900
 - 3660910100 - 3660912900
 - 3660920100 - 3660927700
 - 3660930100 - 3660934700
 - 3660940100 - 3660944600



LEGEND

- PARCEL LINE
- PROPOSED CFD BOUNDARY
- XXX-XXX-XX-XX ASSESSOR PARCEL NUMBER



RESOLUTION NO. 2017 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
DECLARING ITS INTENTION TO ESTABLISH COMMUNITY FACILITIES
DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)
OF THE CITY OF SANTEE AND TO AUTHORIZE THE LEVY OF A SPECIAL TAX
THEREIN TO FINANCE THE ACQUISITION OR CONSTRUCTION OF CERTAIN
PUBLIC FACILITIES**

WHEREAS, the City of Santee (the "City") at this time desires to initiate proceedings to create a community facilities district pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act") for the purpose of providing an alternative method of financing the acquisition or construction of certain public facilities necessary to serve new development within such community facilities district; and

WHEREAS, this community facilities district shall hereinafter be referred to as Community Facilities District No. 2017-1 (Weston Infrastructure) of the City of Santee ("CFD No. 2017-1"); and

WHEREAS, the Act provides that the City Council may initiate proceedings to establish a community facilities district only if it has first considered and adopted local goals and policies concerning the use of the Act; and

WHEREAS, this City Council has adopted and subsequently amended local goals and policies as required pursuant to the Act; and

WHEREAS, this City Council now desires to proceed to adopt its resolution of intention to initiate proceedings for the establishment of CFD No. 2017-1, to set forth the boundaries for CFD No. 2017-1, to indicate the public facilities proposed to be financed by CFD No. 2017-1, to indicate the rate and apportionment of special tax sufficient to finance such facilities and to set a time and place for a public hearing relating to the establishment of CFD No. 2017-1; and

WHEREAS, a map of CFD No. 2017-1 (the "Boundary Map") has been submitted to the City Council showing the boundaries of the territory proposed for inclusion in CFD No. 2017-1 upon the initial establishment of CFD No. 2017-1 including properties and parcels of land proposed to be subject to the levy of the special tax by CFD No. 2017-1 and such map has been adopted by resolution of the City Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

Section 1. Recitals. The above recitals are all true and correct.

Section 2. Initiation of Proceedings. These proceedings are initiated by this City Council pursuant to the authorization of Section 53318 of the Government Code of the State of California and the other provisions of the Act.

Section 3. Boundaries of CFD No. 2017-1. It is the intention of this City Council to establish CFD No. 2017-1 pursuant to the provisions of the Act, and to determine the boundaries and parcels on which the special tax may be levied to finance the Authorized Facilities (defined in Section 5 below). A description of the boundaries of the territory proposed for inclusion in CFD No. 2017-1 including properties and parcels of land proposed to be subject to the levy of the special tax by CFD No. 2017-1 is as follows:

All that property as shown on the Boundary Map as previously approved by this City Council, such map designated as "Proposed Boundary Map of Community Facilities District No. 2017-1 (Weston Infrastructure), City of Santee, County of San Diego, State of California" a copy of which is on file in the Office of the City Clerk and shall remain open for public inspection.

Section 4. Name of the Community Facilities District. The name of the Community Facilities District proposed to be established shall be known and designated as "Community Facilities District No. 2017-1 (Weston Infrastructure) of the City of Santee."

Section 5. Descriptions of Facilities and Determination of Necessity. It is the intention of this City Council to finance the acquisition or construction of certain facilities authorized to be acquired or financed pursuant to the provisions of the Act. A general description of the facilities proposed to be authorized to be acquired or constructed (collectively, the "Authorized Facilities") is set forth in Exhibit A attached hereto and incorporated herein by this reference.

The City Council finds that the Authorized Facilities described in this Section 5 hereof are facilities which the legislative body is authorized by law to contribute revenue to or to construct, own or operate. It is hereby further determined that the proposed Authorized Facilities are necessary to meet increased demands placed upon the City as a result of new development occurring within the boundaries of the proposed CFD No. 2017-1.

The cost of acquiring or constructing the Authorized Facilities includes Incidental Expenses as such term is defined in Government Code Section 53317(e) and may include, but not be limited to, the costs of planning and designing the facilities; all costs associated with the establishment of CFD No. 2017-1, the issuance and administration of bonds to be issued for CFD No. 2017-1, including the payment of any rebate obligation due and owing to the federal government, the determination of the amount of

any special taxes to be levied, the costs of collecting any special taxes, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2017-1, together with any other expenses incidental to the acquisition, construction, completion and inspection of the Authorized Facilities.

Section 6. Special Tax. It is hereby further proposed that, except where funds are otherwise available, a special tax (the "Special Tax") sufficient to finance the acquisition or construction of the Authorized Facilities and related Incidental Expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt real property in CFD No. 2017-1 will be levied annually within the boundaries of such CFD No. 2017-1. Under no circumstances will the Special Tax levied in any fiscal year against any parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within CFD No. 2017-1 by more than 10 percent (10%) above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. For further particulars as to the rate and method of apportionment of the proposed Special Tax, reference is made to the attached and incorporated Exhibit B (the "Rate and Method"), which sets forth in sufficient detail the rate and method of apportionment of the Special Tax to allow each landowner or resident within proposed CFD No. 2017-1 to clearly estimate the maximum amount of Special Tax that such person will have to pay for the Authorized Facilities and the related Incidental Expenses. The Special Tax may be prepaid and permanently satisfied in whole or in part pursuant to the provisions therefor contained in the Rate and Method.

The Special Tax herein authorized, to the extent possible, shall be collected in the same manner as ad valorem property taxes or in such other manner as this City Council or its designee shall determine, including direct billing of the affected property owners. Such Special Tax shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any Special Tax that may not be collected on the County tax roll shall be collected through a direct billing procedure by the City.

Pursuant to Government Code Section 53340 and except as provided in Government Code Section 53317.3, properties of entities of the state, federal, and local governments shall be exempt from the levy of the Special Tax.

Section 7. Public Hearing. NOTICE IS GIVEN THAT ON SEPTEMBER 27, 2017 AT 7:00 PM, IN THE REGULAR MEETING PLACE OF THE CITY COUNCIL BEING 10601 MAGNOLIA AVENUE, SANTEE, CALIFORNIA, A PUBLIC HEARING WILL BE HELD WHERE THIS CITY COUNCIL WILL CONSIDER THE ESTABLISHMENT OF THE PROPOSED CFD NO. 2017-1, THE PROPOSED RATE AND METHOD OF APPORTIONMENT OF THE SPECIAL TAX, AND ALL OTHER MATTERS AS SET FORTH IN THIS RESOLUTION OF INTENTION. AT THE ABOVE-MENTIONED TIME AND PLACE FOR PUBLIC HEARING ANY INTERESTED PERSONS, INCLUDING TAXPAYERS AND PROPERTY OWNERS MAY APPEAR AND BE HEARD. THE TESTIMONY OF ALL INTERESTED PERSONS FOR OR AGAINST THE ESTABLISHMENT OF THE COMMUNITY FACILITIES DISTRICT, THE

EXTENT OF THE COMMUNITY FACILITIES DISTRICT, OR THE FINANCING OF AUTHORIZED FACILITIES, WILL BE HEARD AND CONSIDERED. ANY PROTESTS MAY BE MADE ORALLY OR IN WRITING. HOWEVER, ANY PROTESTS PERTAINING TO THE REGULARITY OR SUFFICIENCY OF THE PROCEEDINGS SHALL BE IN WRITING AND CLEARLY SET FORTH THE IRREGULARITIES AND DEFECTS TO WHICH THE OBJECTION IS MADE. ALL WRITTEN PROTESTS SHALL BE FILED WITH THE CITY CLERK ON OR BEFORE THE TIME FIXED FOR THE PUBLIC HEARING. WRITTEN PROTESTS MAY BE WITHDRAWN IN WRITING AT ANY TIME BEFORE THE CONCLUSION OF THE PUBLIC HEARING.

IF A WRITTEN MAJORITY PROTEST AGAINST THE ESTABLISHMENT OF CFD NO. 2017-1 IS FILED, THE PROCEEDINGS SHALL BE ABANDONED. IF SUCH MAJORITY PROTEST IS LIMITED TO CERTAIN AUTHORIZED FACILITIES, THOSE FACILITIES SHALL BE ELIMINATED BY THE CITY COUNCIL.

Section 8. Election. If, following the public hearing described in the Section above, the City Council determines to establish CFD No. 2017-1 and proposes to levy the Special Tax within CFD No. 2017-1, the City Council shall then submit the levy of the Special Tax to the qualified electors of CFD No. 2017-1. If at least twelve (12) persons, who need not necessarily be the same 12 persons, have been registered to vote within CFD No. 2017-1 for each of the ninety (90) days preceding the close of the public hearing, the vote shall be by registered voters of CFD No. 2017-1, with each voter having one (1) vote. Otherwise, the vote shall be by the landowners of CFD No. 2017-1 who were the owners of record at the close of the subject hearing, with each landowner or the authorized representative thereof, having one (1) vote for each acre or portion of an acre of land owned within CFD No. 2017-1.

A successful election relating to the Special Tax authorization shall, as applicable, establish the appropriations limit as authorized by Article XIII B of the California Constitution as it is applicable to CFD No. 2017-1.

Section 9. Notice of Public Hearing. Notice of the time and place of the public hearing shall be given by the City Clerk by causing the publication of a Notice of Public Hearing in the legally designated newspaper of general circulation, such publication pursuant to Section 6061 of the Government Code, with such publication to be completed at least seven (7) days prior to the date set for the public hearing.

Section 10. Report. The City Manager, as the officer of the City who will be responsible for providing the Authorized Facilities to be provided within and financed by CFD No. 2017-1, if established, shall study or cause CFD No. 2017-1 to be studied, and, at or before the time of the public hearing as described in Section 7, file a report or cause a report to be filed with the City Council containing a brief description of the Authorized Facilities which will in her opinion be required to adequately meet the needs of CFD No. 2017-1, and her estimate of the fair and reasonable cost of providing such facilities, and the incidental expenses to be incurred in connection therewith. Such report shall be made a part of the record of the hearing to be held pursuant to Section 7 hereof.

Section 11. Advances of Funds or Work In-Kind. At any time either before or after the formation of CFD No. 2017-1, the City Council may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities and may provide, by resolution, for the use of those funds or that work-in-kind for any authorized purpose, including, but not limited to, paying any cost incurred by the City in creating CFD No. 2017-1. The City may enter into an agreement, by resolution, with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds so advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the City Council. No such agreement shall constitute a debt or liability of the City.

Section 12. Reservation of Rights to Authorize Tender of Bonds. The City Council reserves to itself, in its capacity as the legislative body of CFD No. 2017-1 if formed, the right and authority to allow any interested owner of property within CFD No. 2017-1, subject to the provisions of Government Code Section 53344.1 and to such conditions as this City Council may impose, and any applicable prepayment penalties as may be described in the bond indenture or comparable instrument or document, to tender to the Treasurer, acting for and on behalf of CFD No. 2017-1, in full payment or part payment of any installment of the Special Taxes or the interest or penalties thereon which may be due or delinquent, but for which a bill has been received, any bond or other obligation secured thereby, the bond or other obligation to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender.

[Remainder of this page intentionally left blank.]

Section 13. Effective Date. This resolution shall become effective upon its adoption.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 23rd day of August, 2017, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED

JOHN W. MINTO, MAYOR

ATTEST

PATSY BELL, CMC, CITY CLERK

Attachments: Exhibit A
 Exhibit B

DESCRIPTION OF AUTHORIZED FACILITIES

The types of facilities eligible to be financed by CFD No. 2017-1 include the following:

- (a) Street improvements: including traffic control, compact and finegrade, paving, curb, gutter, sidewalk, driveways, pedestrian ramps, slot patching, trail, street light relocation, striping and signage, and appurtenant facilities and expenses;
- (b) Bridge improvements: including construction, excavation, backfill, temporary crossing, and appurtenant facilities and expenses;
- (c) Traffic signal improvements: 4-way traffic signal at Mast Blvd. & Weston Road;
- (d) Park improvements: including earthwork/grading, civil improvements, utility work, site furnishings, paving and surfaces, irrigation and planting;
- (e) Trail and fencing improvements: including gutter improvements and lodge pole fencing; and
- (f) Dry utility improvements: including dry utilities for Mast Blvd. and Mast Blvd. to Toyopa Ct.

Notwithstanding the foregoing, only facilities with a useful life of five (5) years or more will be eligible to be financed.

EXHIBIT B

RATE AND METHOD OF APPORTIONMENT

EXHIBIT B**RATE AND METHOD OF APPORTIONMENT FOR
COMMUNITY FACILITIES DISTRICT NO. 2017-1
(WESTON INFRASTRUCTURE)
OF THE CITY OF SANTEE**

The following sets forth the Rate and Method of Apportionment for the levy and collection of an Annual Special Tax of the Community Facilities District No. 2017-1 (Weston Infrastructure) of the City of Santee ("CFD No. 2017-1"). An Annual Special Tax shall be levied on and collected in CFD No. 2017-1 each Fiscal Year, in an amount determined through the application of the Rate and Method of Apportionment described below. All of the real property within CFD No. 2017-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A
DEFINITIONS**

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on the Assessor's Parcel Map, the land area as shown on the applicable Final Map, or if the land area is not shown on the applicable Final Map, the land area as calculated by the CFD Administrator or City engineer.

"Act" means the Mello-Roos Community Facilities Act of 1982 as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the administration of CFD No. 2017-1, including but not limited to the following: (i) the costs of calculating the Special Tax and of preparing the annual Special Tax collection schedules (whether by the CFD Administrator or designee thereof, or both); (ii) the costs of collecting the Special Tax (whether by the County, City, or otherwise); (iii) the costs of remitting the Special Tax to the fiscal agent or trustee for any Bonds; (iv) the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes; (v) the costs of the fiscal agent or trustee (including its legal counsel) in the discharge of the duties required of it under any Indenture; (vi) the costs of the City or designee of complying with arbitrage rebate, mandated reporting and disclosure requirements of applicable federal and State of California laws related to Bonds, CFD No. 2017-1 or the levy of the Special Taxes, and responding to property owner or Bond owner inquiries regarding the Special Tax; (vii) the costs associated with the release of funds from any escrow account; (viii) the costs of the City or designee related to any appeal of a Special Tax; and (ix) an allocable share of the salaries of the City staff and City overhead expense directly relating to the foregoing. Administrative Expenses shall also include amounts advanced by the City for any administrative purposes of CFD No. 2017-1.

"Alternative Special Tax Rate" means with respect to Assessor's Parcels of Developed Property classified as Residential Property the amount of \$1,683 per Unit or an amount determined pursuant to Section E, if applicable.

"Annual Special Tax" means for each Assessor's Parcel of Taxable Property, the Special Tax actually levied in a given Fiscal Year on such Assessor's Parcel.

"Approved Property" means all Assessor's Parcels of Taxable Property other than Provisional Exempt Property: (i) that are included in a Final Map that was recorded prior to the January 1st immediately preceding the Fiscal Year in which the Special Tax is being levied, and (ii) that have not been issued a Building

Permit on or before the May 1st immediately preceding the Fiscal Year in which the Special Tax is being levied.

“Assessor” means the County Assessor.

“Assessor’s Parcel” means a lot or parcel of land designated on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number within the boundaries of CFD No. 2017-1.

“Assessor’s Parcel Map” means an official map of the Assessor designating parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” means that number assigned to a lot or parcel of land by the Assessor for purposes of identification.

“Assigned Annual Special Tax” means the Special Tax as described in Section D below.

“Bonds” means any bonds or other indebtedness (as defined in the Act), whether in one or more series, the repayment of which is secured by the levy of Special Taxes on Taxable Property within CFD No. 2017-1.

“Boundary Map” means a recorded map of the CFD No. 2017-1 which indicates the boundaries of CFD No. 2017-1.

“Building Permit” means the first legal document issued by the city of San Diego granting official permission for new construction. For purposes of this definition and prior to the issuance of Bonds, “Building Permit” shall also include any subsequent legal document issued by the city of San Diego or the City that revises the Building Square Footage reflected in the application for any prior Building Permit, as verified by the CFD Administrator.

“Building Square Footage” or “BSF” means the square footage of assessable internal living space, exclusive of garages or other structures not used as living space, as determined by reference to the Building Permit for such Assessor’s Parcel and subject to verification by the CFD Administrator.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“CFD No. 2017-1” or “CFD” means Community Facilities District No. 2017-1 (Weston Infrastructure) of the City of Santee established by the City under the Act.

“CFD Administrator” means the Finance Director of the City, or designee thereof, responsible for, among other things, determining the Special Tax Requirement and providing for the levy and collection of said Special Tax.

“City” means the City of Santee, California.

“City Council” means the City Council of the City of Santee, acting as the legislative body of CFD No. 2017-1.

“County” means the County of San Diego.

“Developed Property” means all Assessor’s Parcels of Taxable Property that: (i) are included in a Final Map that was recorded prior to January 1st preceding the Fiscal Year in which Special Taxes are being levied, and

(ii) for which a Building Permit was issued on or before May 1st preceding the Fiscal Year in which Special Taxes are being levied.

“Exempt Property” means all Assessor’s Parcels designated as being exempt from the Special Tax provided for in Section I.

“Final Map” means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 4285 that creates individual lots that do not need, and are not expected, to be further subdivided prior to the issue of a Building Permit.

“Fiscal Year” means the period commencing July 1 of any year and ending the following June 30.

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use Type” means Residential Property, Multifamily Residential Property, or Non-Residential Property.

“Maximum Special Tax” means for each Assessor’s Parcel of Taxable Property, the maximum Special Tax, determined in accordance with Section C that can be levied in any Fiscal Year on such Assessor’s Parcel.

“Multifamily Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing a building or buildings comprised of attached units available for rental by the general public, not for sale to an end user, and under common management, as determined by the CFD Administrator.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit was issued for any type of non-residential use.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Special Tax obligation for an Assessor’s Parcel, as described in Section H.

“Prepayment Amount” means the amount required to prepay the Special Tax obligation in full for an Assessor’s Parcel, as described in Section G.

“Proportionately” means for the Special Tax that the ratio of the Annual Special Tax levy to the applicable Assigned Annual Special Tax is equal for all applicable Assessor’s Parcels. In the case of Developed Property subject to the apportionment of the Annual Special Tax under Step Four of Section F, “Proportionately” means that the quotient of (a) Annual Special Tax less the Assigned Annual Special Tax divided by (b) the Alternative Special Tax Rate less the Assigned Annual Special Tax, is equal for all applicable Assessor’s Parcels.

“Provisional Exempt Property” means all Assessor’s Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to the provisions of Section I, but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property within the CFD below the required minimum Acreage set forth in Section I.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one or more residential dwelling units, which are not Multifamily Residential Property.

“Special Tax(es)” means any of the Special Taxes authorized to be levied on Taxable Property within and by CFD No. 2017-1 pursuant to the Act to fund the Special Tax Requirement.

“Special Tax Requirement” means, subject to the Maximum Special Tax, the amount required in any Fiscal Year to pay: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account, (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds, (v) the collection or accumulation of funds for the acquisition or construction of facilities or payment of fees authorized by CFD No. 2017-1 by the levy on Developed Property of the Assigned Annual Special Tax provided that the inclusion of such amount does not cause an increase in the levy of Special Taxes on Approved Property, Undeveloped Property, or Provisional Exempt Property as set forth in Steps Two, Three, Four, and Five of Section F, and (vi) pay reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year, less (vii) any amount available to pay debt service or other periodic costs on the Bonds pursuant to the Indenture.

“Taxable Property” means all Assessor’s Parcels within CFD No. 2017-1, which are not Exempt Property.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property which are not Developed Property, Approved Property or Provisional Exempt Property.

“Unit” means any residential dwelling structure.

SECTION B CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2018-19, each Assessor’s Parcel within CFD No. 2017-1 shall be classified as Taxable Property or Exempt Property. In addition, each Assessor’s Parcel of Taxable Property shall be further classified as Developed Property, Approved Property, Undeveloped Property, or Provisional Exempt Property. In addition, each Assessor’s Parcel of Developed Property shall further be classified as Residential Property, Multifamily Residential Property or Non-Residential Property. Assessor’s Parcels of Residential Property shall be further categorized based on the Building Square Footage of each such Assessor’s Parcel.

SECTION C MAXIMUM SPECIAL TAX

1. Developed Property

The Maximum Special Tax for each Assessor’s Parcel of Residential Property, Multifamily Residential Property or Non-Residential Property in any Fiscal Year shall be the greater of (i) the Assigned Annual Special Tax or (ii) the Alternative Special Tax Rate.

2. Approved Property, Undeveloped Property, and Provisional Exempt Property

The Maximum Special Tax for each Assessor’s Parcel classified as Approved Property, Undeveloped Property, or Provisional Exempt Property in any Fiscal Year shall be the Assigned Annual Special Tax.

**SECTION D
ASSIGNED ANNUAL SPECIAL TAX**

1. Developed Property

Each Fiscal Year, each Assessor’s Parcel of Residential Property, Multifamily Residential Property or Non-Residential Property shall be subject to an Assigned Annual Special Tax.

The Assigned Annual Special Tax applicable to an Assessor's Parcel of Developed Property shall be determined by Table 1 below.

TABLE 1
ASSIGNED ANNUAL SPECIAL TAX RATES
FOR DEVELOPED PROPERTY

Land Use Type	Building Square Footage	Rate
Residential Property	Less than 1,851 sq. ft.	\$1,230 per Unit
Residential Property	1,851 sq. ft. – 2,150 sq. ft.	\$1,325 per Unit
Residential Property	2,151 sq. ft. – 2,450 sq. ft.	\$1,420 per Unit
Residential Property	2,451 sq. ft. – 2,750 sq. ft.	\$1,515 per Unit
Residential Property	2,751 sq. ft. – 3,050 sq. ft.	\$1,610 per Unit
Residential Property	3,051 sq. ft. – 3,350 sq. ft.	\$1,705 per Unit
Residential Property	3,351 sq. ft. – 3,650 sq. ft.	\$1,800 per Unit
Residential Property	Greater than 3,650 sq. ft.	\$1,895 per Unit
Multifamily Residential Property	N/A	\$12,292 per Acre
Non-Residential Property	N/A	\$12,292 per Acre

2. Approved Property, Undeveloped Property and Provisional Exempt Property

Each Fiscal Year, each Assessor’s Parcel of Approved Property, Undeveloped Property and Provisional Exempt Property shall be subject to an Assigned Annual Special Tax. The Assigned Annual Special Tax rate for an Assessor’s Parcel classified as Approved Property, Undeveloped Property, or Provisional Exempt Property shall be determined pursuant to Table 2 below:

TABLE 2
ASSIGNED ANNUAL SPECIAL TAX RATE
FOR APPROVED PROPERTY, UNDEVELOPED PROPERTY,
AND PROVISIONAL EXEMPT PROPERTY

Rate per Acre
\$12,292 per Acre

**SECTION E
CHANGES TO MAPS**

The Alternative Special Tax Rate has been established based on the land use configurations shown on the subdivision map for Map No. 16155 and Map No. 16161. In the event any portion of Map No. 16155 and Map No. 16161 are modified by the County or the City, the Alternative Special Tax Rate for all Assessor’s Parcels of Developed Property in the modified portion of such map which are classified as Residential

Property shall be determined by (i) multiplying the total square footage of such Assessor's Parcel or Assessor's Parcels by \$0.2822 per square foot, and (ii) by dividing the product thus obtained by the number of Units in the modified portion thereof.

**SECTION F
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2018-19 and for each subsequent Fiscal Year, the City Council shall levy Annual Special Taxes in accordance with the following steps:

- Step One: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Annual Special Tax rates in Table 1 to satisfy the Special Tax Requirement.

- Step Two: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property at up to 100% of the applicable Assigned Annual Special Tax to satisfy the Special Tax Requirement.

- Step Three: If additional moneys are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Annual Special Tax for Undeveloped Property applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

- Step Four: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax on each Assessor's Parcel of Developed Property for which the Maximum Special Tax is the Alternative Special Tax Rate shall be increased Proportionately from the Assigned Annual Special Tax up to 100% of the Alternative Special Tax Rate as needed to satisfy the Special Tax Requirement.

- Step Five: If additional moneys are needed to satisfy the Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Exempt Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Notwithstanding the above, under no circumstances will the Special Taxes levied in any Fiscal Year against any Assessor's Parcel of Residential Property as a result of a delinquency in the payment of the Special Tax applicable to any other Assessor's Parcel be increased by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquency or default.

**SECTION G
PREPAYMENT OF ANNUAL SPECIAL TAX**

The following definitions apply to this Section G:

"CFD Public Facilities Amount" means \$8,000,000 expressed in 2017 dollars, which shall increase by the Construction Inflation Index on July 1, 2018, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities under the authorized bonding program, or (ii) shall be determined by the City Council concurrently with a covenant that the CFD will not issue additional new money Bonds. **"Construction Inflation Index"** means the annual percentage

change in the Engineering News-Record Building Cost Index for the City of San Diego, measured as of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of San Diego.

“Future Facilities Costs” means the CFD Public Facilities Amount minus (i) Bond proceeds deposited in Improvement Funds and accounts and (ii) other amounts (Special Tax, interest earnings, etc.) allocated to Improvement Funds and accounts that were available to fund such CFD Public Facilities Amount prior to the date of prepayment.

“Improvement Fund” means, collectively, an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act and any account established prior to the issuance of Bonds for such purpose.

“Outstanding Bonds” means all previously issued Bonds, which will remain outstanding after the payment of principal from the amount of Special Tax that have been levied, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of Maximum Special Tax.

Prepayment in Full

The Maximum Special Tax obligation may be prepaid and permanently satisfied for (i) Assessor’s Parcels of Developed Property, (ii) Assessor’s Parcels of Approved Property or Undeveloped Property for which a Building Permit has been issued, (iii) Approved or Undeveloped Property for which a Building Permit has not been issued, and (iv) Assessor’s Parcels of Provisional Exempt Property that are not Exempt Property pursuant to Section I. The Maximum Special Tax obligation applicable to an Assessor’s Parcel may be fully prepaid and the obligation to pay the Special Tax for such Assessor’s Parcel permanently satisfied as described herein; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel intending to prepay the Maximum Special Tax obligation for such Assessor’s Parcel shall provide the CFD Administrator with written notice of intent to prepay, and within 10 business days of receipt of such notice, the CFD Administrator shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by the CFD in calculating the Prepayment Amount (as defined below) for the Assessor’s Parcel. Within 15 business days of receipt of such non-refundable deposit, the CFD Administrator shall notify such owner of the Prepayment Amount for the Assessor’s Parcel. Prepayment must be made not less than 60 days prior to the redemption date for any Bonds to be redeemed with the proceeds of such prepaid Special Tax.

The Prepayment Amount (defined below) shall be calculated as follows (capitalized terms are defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
Equals:	Prepayment Amount

The Prepayment Amount shall be determined as of the proposed prepayment date as follows:

1. Confirm that no Special Tax delinquencies apply to such Assessor’s Parcel.

2. For an Assessor's Parcel of Developed Property, compute the Maximum Special Tax for the Assessor's Parcel. For an Assessor's Parcel of Approved Property or Undeveloped Property for which a Building Permit has been issued, compute the Maximum Special Tax for the Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit which has been issued for the Assessor's Parcel. For an Assessor's Parcel of Approved Property or Undeveloped Property for which a Building Permit has not been issued, Provisional Exempt Property, to be prepaid, compute the Maximum Special Tax for the Assessor's Parcel.
3. Divide the Maximum Special Tax derived pursuant to paragraph 2 by the total amount of Special Tax that could be levied at the Maximum Special Tax for all Assessor's Parcels of Taxable Property based on the applicable Maximum Special Tax, including for Assessor's Parcels of Approved Property or Undeveloped Property for which a Building Permit has been issued, the Maximum Special Tax for the Assessor's Parcel as though it was already designated as Developed Property, not including any Assessor's Parcels for which the Special Tax obligation has been previously prepaid.
4. Multiply the quotient derived pursuant to paragraph 3 by the principal amount of the Outstanding Bonds to determine the amount of Outstanding Bonds to be redeemed with the Prepayment Amount (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Determine the Future Facilities Costs.
7. Multiply the quotient derived pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to determine the amount of Future Facilities Costs for the Assessor's Parcel (the "Future Facilities Amount").
8. Determine the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds on which Bonds can be redeemed from Special Tax prepayments.
9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.
10. Determine the amount the CFD Administrator reasonably expects to derive from the investment of the Bond Redemption Amount and the Redemption Premium from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the Prepayment Amount.
11. Add the amounts derived pursuant to paragraphs 8 and 9 and subtract the amount derived pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of the CFD, including the cost of computation of the Prepayment Amount, the cost to invest the Prepayment

Amount, the cost of redeeming the Outstanding Bonds, and the cost of recording notices to evidence the prepayment of the Maximum Special Tax obligation for the Assessor's Parcel and the redemption of Outstanding Bonds (the "Administrative Fees and Expenses").

13. The reserve fund credit (the "Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.
14. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance Amount and the Administrative Fees and Expenses, less the Reserve Fund Credit.
15. From the Prepayment Amount, the Bond Redemption Amount, the Redemption Premium, and Defeasance Amount shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding Bonds or make debt service payments. The Future Facilities Amount shall be deposited into the Improvement Fund. The Administrative Fees and Expenses shall be retained by the CFD.

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such event, the increment above \$5,000 or an integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next redemption from other Special Tax prepayments of Outstanding Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined pursuant to paragraph 9 above, if applicable, the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for the Assessor's Parcel from the County tax roll. With respect to any Assessor's Parcel for which the Maximum Special Tax obligation is prepaid, the City Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Maximum Special Tax obligation and the release of the Special Tax lien for the Assessor's Parcel, and the obligation to pay the Special Tax for such Assessor's Parcel shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Tax that may be levied on all Assessor's Parcels of Taxable Property, excluding all Provisional Exempt Property and all Assessor's Parcels with delinquent Special Tax, after the proposed prepayment will be at least 1.1 times maximum annual debt service on the Bonds that will remain outstanding after the prepayment plus the estimated annual Administrative Expenses.

Tenders of Bonds in prepayment of the Maximum Special Tax obligation may be accepted upon the terms and conditions established by the City Council pursuant to the Act. However, the use of Bond tenders shall only be allowed on a case-by-case basis as specifically approved by the City Council.

**SECTION H
PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAX**

The Maximum Special Tax obligation for an Assessor's Parcel of Developed Property, Approved Property or Undeveloped Property may be partially prepaid. For purposes of determining the partial prepayment amount, the provisions of Section G shall be modified as provided by the following formula:

$$PP = ((P_{\epsilon} - A) \times F) + A$$

These terms have the following meaning:

PP = Partial Prepayment

P_{ϵ} = the Prepayment Amount calculated according to Section G

F = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Maximum Special Tax obligation

A = the Administrative Fees and Expenses determined pursuant to Section G

The owner of an Assessor's Parcel who desires to partially prepay the Maximum Special Tax obligation for the Assessor's Parcel shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Maximum Special Tax obligation, (ii) the percentage of the Maximum Special Tax obligation such owner wishes to prepay, and (iii) the company or agency that will be acting as the escrow agent, if any. Within 10 business days of receipt of such notice, the CFD Administrator shall notify such property owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by the CFD in calculating the amount of a partial prepayment. Within 15 business days of receipt of such non-refundable deposit, the CFD Administrator shall notify such owner of the amount of the Partial Prepayment for the Assessor's Parcel. A Partial Prepayment must be made not less than 60 days prior to the redemption date for the Outstanding Bonds to be redeemed with the proceeds of the Partial Prepayment.

With respect to any Assessor's Parcel for which the Maximum Special Tax obligation is partially prepaid, the CFD Administrator shall (i) distribute the Partial Prepayment as provided in Paragraph 15 of Section G and (ii) indicate in the records of the CFD that there has been a Partial Prepayment for the Assessor's Parcel and that a portion of the Special Tax obligation equal to the remaining percentage (1.00 - F) of Special Tax obligation will continue on the Assessor's Parcel pursuant to Section F.

**SECTION I
EXEMPT PROPERTY**

The CFD Administrator shall classify as Exempt Property, (i) Assessor's Parcels which are owned by, irrevocably offered for dedication, encumbered by or restricted in use by the State of California, federal or other local governments, including school districts, (ii) Assessor's Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, (iii) Assessor's Parcels which are owned by, irrevocably offered for dedication, encumbered by or restricted in use by a homeowners' association, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (v) Assessor's Parcels which are privately owned and are encumbered by or restricted solely for public uses, or (vi) other types of public uses determined by the CFD Administrator. The CFD Administrator shall classify such Assessor's Parcels as Exempt Property in the chronological order in which property becomes Exempt.

Notwithstanding the foregoing, the CFD Administrator for purposes of levying the Special Tax shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property to less than the Acreage amount listed in Table 3 below. Assessor's Parcels which cannot be

classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Acreage amount listed in Table 3 will be classified as Provisional Exempt Property, and will be subject to the levy of Special Tax pursuant to Step Five in Section F.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in the first paragraph of Section I that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

**TABLE 3
MINIMUM TAXABLE ACRES**

Acres
51.13

**SECTION J
APPEALS AND INTERPRETATIONS**

Any property owner claiming that the amount or application of the Annual Special Tax is not correct may file a written notice of appeal with the CFD Administrator not later than twelve months after having paid the first installment of the Special Tax that is disputed. The CFD Administrator of CFD No. 2017-1 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Annual Special Tax and rule on the appeal. If the CFD Administrator's decision requires that the Annual Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy in the case of the Annual Special Tax), but an adjustment shall be made to the Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

The City Council or the designee thereof may interpret this Rate and Method of Apportionment of Annual Special Tax for purposes of clarifying any ambiguity and make determinations relative to the amount of Administrative Expenses. The decision of the City Council or the designee thereof shall be final.

**SECTION K
MANNER OF COLLECTION**

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 2017-1 may collect the Annual Special Tax at a different time or in a different manner if necessary to meet its financial obligations.

**SECTION L
TERM OF THE SPECIAL TAX**

For each year that any Bonds are outstanding the Special Tax shall be levied on all Assessor's Parcels subject to the Special Tax. If any delinquent Special Taxes remain uncollected prior to or after all Bonds are retired, the Special Tax may be levied to the extent necessary to reimburse the CFD for uncollected Special Taxes associated with the levy of such Special Taxes, but the Special Tax shall not be levied after 2058-2059 Fiscal Year.

RESOLUTION NO. 2017 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
DECLARING THE NECESSITY TO INCUR A BONDED INDEBTEDNESS OF
COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)
OF THE CITY OF SANTEE TO BE SECURED BY SPECIAL TAXES LEVIED
WITHIN SUCH COMMUNITY FACILITIES DISTRICT TO PAY FOR THE
ACQUISITION OR CONSTRUCTION OF CERTAIN PUBLIC FACILITIES**

WHEREAS, the City of Santee (the "City") has initiated proceedings to create a community facilities district pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act") for the purpose of financing the acquisition or construction of certain public facilities described in Exhibit A attached hereto and incorporated herein by this reference (the "Authorized Facilities") necessary to serve new development within such community facilities district; and

WHEREAS, this community facilities district shall hereinafter be referred to as Community Facilities District No. 2017-1 (Weston Infrastructure) of the City of Santee ("CFD No. 2017-1"); and

WHEREAS, the Act provides that the City Council may initiate proceedings to establish a community facilities district only if it has first considered and adopted local goals and policies concerning the use of the Act; and

WHEREAS, it is the intention of this legislative body to finance the acquisition or construction of all or a portion of such Authorized Facilities through the issuance of bonds by CFD No. 2017-1, such bonds to be secured by special taxes to be levied on taxable property within CFD No. 2017-1, all as permitted by the Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

Section 1. Recitals. The above recitals are all true and correct.

Section 2. Declaration of Convenience and Necessity. This City Council declares that the public convenience and necessity requires that a bonded indebtedness be incurred by CFD No. 2017-1 to contribute to the financing of all or a portion of the Authorized Facilities.

Section 3. Purpose for Proposed Indebtedness. The purpose for the proposed debt of CFD No. 2017-1 is to contribute to the financing of the acquisition or construction of the Authorized Facilities.

Section 4. Bond Authorization. The amount of bonded indebtedness of CFD No. 2017-1 may include all costs and estimated costs incidental to, or connected with, the accomplishment for the purpose for which the indebtedness is proposed to be incurred as authorized pursuant to the act. The amount of indebtedness proposed to be authorized for CFD No. 2017-1 is \$10,300,000.

Section 5. Public Hearing. NOTICE IS GIVEN THAT ON SEPTEMBER 27, 2017 AT 7:00 PM, IN THE REGULAR MEETING PLACE OF THE CITY COUNCIL BEING 10601 MAGNOLIA AVENUE, SANTEE, CALIFORNIA, A PUBLIC HEARING WILL BE HELD ON THE INTENTION OF THIS LEGISLATIVE BODY TO INCUR A BONDED INDEBTEDNESS OF CFD NO. 2017-1 TO CONTRIBUTE TO THE FINANCING OF THE AUTHORIZED FACILITIES, SUCH INDEBTEDNESS TO BE SECURED BY THE LEVY OF SPECIAL TAXES WITHIN CFD NO. 2017-1. AT THE TIME AND PLACE FIXED FOR SAID PUBLIC HEARING ANY PERSONS INTERESTED, INCLUDING PERSONS OWNING PROPERTY WITHIN CFD NO. 2017-1, MAY APPEAR AND PRESENT ANY MATTERS RELATING TO THE PROPOSED INTENTION AND NECESSITY FOR INCURRING A BONDED INDEBTEDNESS OF CFD NO. 2017-1, SUCH INDEBTEDNESS WHICH WILL CONTRIBUTE TO THE FINANCING OF ALL OR A PORTION OF THE AUTHORIZED FACILITIES AND WHICH WILL BE SECURED BY A SPECIAL TAX TO BE LEVIED WITHIN CFD NO. 2017-1.

Section 6. Notice of Public Hearing. Notice of the time and place of the public hearing shall be given by the City Clerk by causing the publication of a Notice of Public Hearing in the legally designated newspaper of general circulation, such publication pursuant to Section 6061 of the Government Code, with such publication to be completed at least seven (7) days prior to the date set for the public hearing.

[Remainder of this page intentionally left blank.]

RESOLUTION NO. 2017 -

Section 7. Effective Date. This resolution shall become effective upon its adoption.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 23rd day of August, 2017, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED

JOHN W. MINTO, MAYOR

ATTEST

PATSY BELL, CMC, CITY CLERK

Attachments: Exhibit A

EXHIBIT A

DESCRIPTION OF AUTHORIZED FACILITIES

The types of facilities eligible to be financed by CFD No. 2017-1 include the following:

- (a) Street improvements: including traffic control, compact and finegrade, paving, curb, gutter, sidewalk, driveways, pedestrian ramps, slot patching, trail, street light relocation, striping and signage, and appurtenant facilities and expenses;
- (b) Bridge improvements: including construction, excavation, backfill, temporary crossing, and appurtenant facilities and expenses;
- (c) Traffic signal improvements: 4-way traffic signal at Mast Blvd. & Weston Road;
- (d) Park improvements: including earthwork/grading, civil improvements, utility work, site furnishings, paving and surfaces, irrigation and planting;
- (e) Trail and fencing improvements: including gutter improvements and lodge pole fencing; and
- (f) Dry utility improvements: including dry utilities for Mast Blvd. and Mast Blvd. to Toyopa Ct.

Notwithstanding the foregoing, only facilities with a useful life of five (5) years or more will be eligible to be financed.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
ADOPTING A BOUNDARY MAP SHOWING THE BOUNDARIES OF THE
TERRITORY PROPOSED FOR INCLUSION IN PROPOSED COMMUNITY
FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES) OF THE
CITY OF SANTEE**

WHEREAS, the City of Santee (the "City") desires to initiate proceedings to create a community facilities district pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, for the purpose of providing an alternative method of financing certain municipal services necessary to serve new development within such community facilities district; and

WHEREAS, such community facilities district shall hereinafter be designated as Community Facilities District No. 2017-2 (Weston Municipal Services) of the City of Santee ("CFD No. 2017-2"); and,

WHEREAS, there has been submitted a map showing the boundaries of the territory proposed to be included in CFD No. 2017-2 including properties and parcels of land proposed to be subject to the levy of the special taxes by CFD No. 2017-2.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

Section 1. The above recitals are all true and correct.

Section 2. The map designated as "Proposed Boundary Map of Community Facilities District No. 2017-2 (Weston Municipal Services Services), City of Santee, County of San Diego, State of California" (the "CFD No. 2017-2 Boundary Map") showing the boundaries of the territory proposed for inclusion in CFD No. 2017-2 upon the initial establishment of CFD No. 2017-2, including properties and parcels of land proposed to be subject to the levy of the special taxes by CFD No. 2017-2, is hereby approved and adopted.

Section 3. A certificate shall be endorsed on the original and on at least one (1) copy of the CFD No. 2017-2 Boundary Map, evidencing the date and adoption of this resolution, and within fifteen (15) days after the adoption of the resolution fixing the time and place of the hearing on the establishment or extent of CFD No. 2017-2, a copy of such map shall be filed with the correct and proper endorsements thereon with the County Recorder, all in the manner and form provided for in Sections 3110 and 3111 of the Streets and Highways Code of the State of California.

[Remainder of this page intentionally left blank.]

Section 4. This resolution shall become effective upon its adoption.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 23rd day of August, 2017, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED

JOHN W. MINTO, MAYOR

ATTEST

PATSY BELL, CMC, CITY CLERK

Attachment A

EXHIBIT A

Resolution 5)

SHEET 1 OF 1

PROPOSED BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)
CITY OF SANTEE
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF
 SANTEE THIS _____ DAY OF _____, 2017.

CITY CLERK
 CITY OF SANTEE

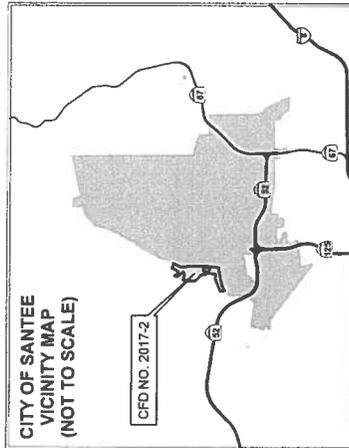
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING
 THE PROPOSED BOUNDARIES OF COMMUNITY FACILITIES
 DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES),
 CITY OF SANTEE, COUNTY OF SAN DIEGO, STATE OF
 CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF
 THE CITY OF SANTEE, AT A REGULAR MEETING THEREOF,
 HELD ON _____ DAY OF _____, 2017.
 BY ITS RESOLUTION NO. _____.

CITY CLERK
 CITY OF SANTEE

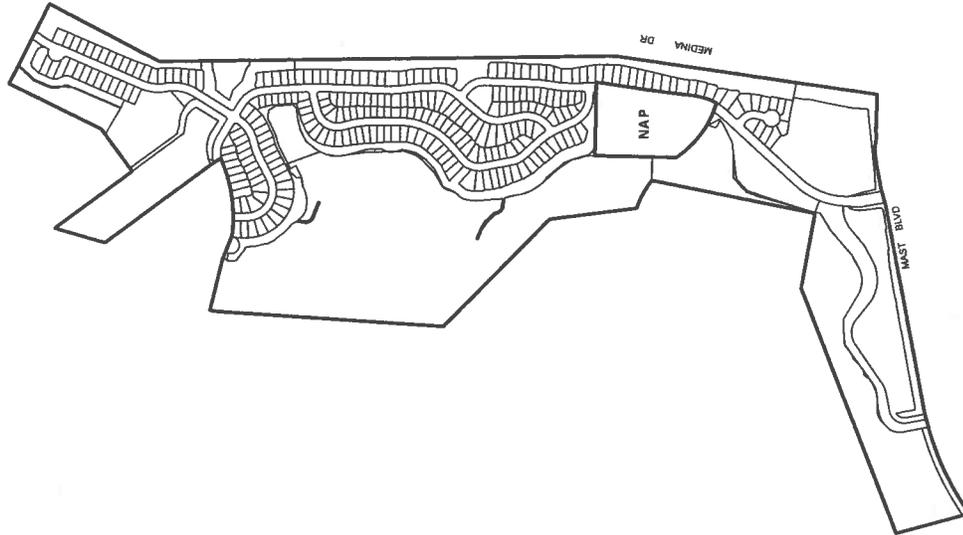
FILED THIS _____ DAY OF _____, 2017 AT THE
 HOUR OF _____ O'CLOCK _____ M. IN BOOK _____, PAGE _____ OF
 MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS
 AND AS INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF
 SAN DIEGO, STATE OF CALIFORNIA.

FEE: _____ NO. _____ COUNTY CLERK,
 ERNEST J. DRONENBURG, JR., ASSESSOR,
 RECORDER

BY: _____ DEPUTY



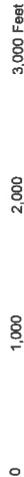
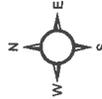
CITY OF SANTEE
 VICINITY MAP
 (NOT TO SCALE)



- APNS**
- 3660510100 - 3660515900
 - 3660520100 - 3660521400
 - 3660530100 - 3660533300
 - 3660904600 - 3660906600
 - 3660906800 - 3660907900
 - 3660910100 - 3660912900
 - 3660920100 - 3660927700
 - 3660930100 - 3660934700
 - 3660940100 - 3660944600

LEGEND

- PROPOSED CFD BOUNDARY
- PARCELLINE
- XXX-XXX-XX-XX ASSESSOR PARCEL NUMBER



ALBERT A. WEBB
 A.S.SOCIATES
 ENGINEERING CONSULTANTS
 THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES
 OF THE COMMUNITY FACILITIES DISTRICT. FOR DETAILS
 CONCERNING THE LINES AND DIMENSIONS OF LOTS OR
 PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR
 FISCAL YEAR 2017-2018.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
DECLARING ITS INTENTION TO ESTABLISH COMMUNITY FACILITIES
DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)
OF THE CITY OF SANTEE AND TO AUTHORIZE THE LEVY OF SPECIAL
TAXES THEREIN TO FINANCE MUNICIPAL SERVICES**

WHEREAS, the City of Santee (the "City") at this time desires to initiate proceedings to create a community facilities district pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act") for the purpose of providing an alternative method of financing certain municipal services necessary to serve new development within such community facilities district; and

WHEREAS, this community facilities district shall hereinafter be referred to as Community Facilities District No. 2017-2 (Weston Municipal Services) of the City of Santee ("CFD No. 2017-2"); and

WHEREAS, the Act provides that the City Council may initiate proceedings to establish a community facilities district only if it has first considered and adopted local goals and policies concerning the use of the Act; and

WHEREAS, this City Council has adopted and subsequently amended local goals and policies as required pursuant to the Act; and

WHEREAS, this City Council now desires to proceed to adopt its resolution of intention to initiate proceedings for the establishment of CFD No. 2017-2, to set forth the boundaries for CFD No. 2017-2, to indicate the type of services to be financed by CFD No. 2017-2, to indicate the rate and apportionment of special taxes sufficient to finance such services and to set a time and place for a public hearing relating to the establishment of CFD No. 2017-2; and

WHEREAS, a map of CFD No. 2017-2 (the "Boundary Map") has been submitted to the City Council showing the boundaries of the territory proposed for inclusion in CFD No. 2017-2 upon the initial establishment of CFD No. 2017-2 including properties and parcels of land proposed to be subject to the levy of the special taxes by CFD No. 2017-2 and such map has been adopted by resolution of the City Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

Section 1. Recitals. The above recitals are all true and correct.

Section 2. Initiation of Proceedings. These proceedings are initiated by this City Council pursuant to the authorization of Section 53318 of the Government Code of the State of California and the other provisions of the Act.

Section 3. Boundaries of CFD No. 2017-2. It is the intention of this City Council to establish CFD No. 2017-2 pursuant to the provisions of the Act, and to determine the boundaries and parcels on which special taxes may be levied to finance the Authorized Services (defined in Section 5 below). A description of the boundaries of the territory proposed for inclusion in CFD No. 2017-2 including properties and parcels of land proposed to be subject to the levy of the special taxes by CFD No. 2017-2 is as follows:

All that property as shown on the Boundary Map as previously approved by this City Council, such map designated as "Proposed Boundary Map of Community Facilities District No. 2017-2 (Weston Municipal Services), City of Santee, County of San Diego, State of California" a copy of which is on file in the Office of the City Clerk and shall remain open for public inspection.

Section 4. Name of the Community Facilities District. The name of the Community Facilities District proposed to be established shall be known and designated as "Community Facilities District No. 2017-2 (Weston Municipal Services) of the City of Santee."

Section 5. Descriptions of Services and Determination of Necessity. It is the intention of this City Council to finance municipal services that will not be replacing services already available within the boundaries of CFD No. 2017-2.

A general description of the services which are proposed to be financed with the revenues from Special Tax A (defined below) (the "Special Tax A Services"), whether provided directly by the City or by a third party contracting with the City or CFD No. 2017-2, is set forth in Exhibit A attached hereto and incorporated herein by this reference.

A general description of the services which are proposed to be financed with the revenues from Special Tax B (Contingent) (defined below) (the "Special Tax B Services" and, together with the Special Tax A Services, the "Authorized Services"), whether provided directly by the City or by a third party contracting with the City or CFD No. 2017-2, is set forth in Exhibit A attached hereto and incorporated herein by this reference.

The City Council finds that the Authorized Services described in this Section 5 hereof are necessary to meet increased demands placed upon the City as a result of new development occurring within the boundaries of the proposed CFD No. 2017-2. The City Council further finds that the Authorized Services will be in addition to those services currently provided in the territory within the proposed boundaries of CFD No. 2017-2 and, therefore, such Authorized Services will not be supplanting services already available within such territory.

Section 6. Special Taxes. It is hereby further proposed that, except where funds are otherwise available, a special tax sufficient to finance the Special Tax A Services (“Special Tax A”) and related incidental expenses, a special tax sufficient to finance the Special Tax B (Contingent) Services (“Special Tax B (Contingent)”) and, together with the Special Tax B (Contingent) Services, the “Special Taxes”) and related incidental expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt real property in CFD No. 2017-2 will be levied annually within the boundaries of such CFD No. 2017-2. For further particulars as to the rate and method of apportionment of the proposed Special Taxes, reference is made to the attached and incorporated Exhibit B (the “Rate and Method”), which sets forth in sufficient detail the rate and method of apportionment of the Special Taxes to allow each landowner or resident within proposed CFD No. 2017-2 to clearly estimate the maximum amount of Special Tax A that such person will have to pay for the Special Tax A Services and the maximum amount of Special Tax B (Contingent) that such person will have to pay for the Special Tax B (Contingent) Services. The Special Taxes may not be prepaid.

The Special Taxes herein authorized, to the extent possible, shall be collected in the same manner as ad valorem property taxes or in such other manner as this City Council or its designee shall determine, including direct billing of the affected property owners. Such Special Taxes shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any Special Taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the City.

Pursuant to Government Code Section 53340 and except as provided in Government Code Section 53317.3, properties of entities of the state, federal, and local governments shall be exempt from the levy of the Special Taxes.

Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the Special Taxes shall attach to all non-exempt property in CFD No. 2017-2, and that lien shall continue in force and effect until the lien is cancelled in accordance with law or until collection of the Special Taxes ceases.

Section 7. Public Hearing. NOTICE IS GIVEN THAT ON SEPTEMBER 27, 2017 AT 7:00 PM, IN THE REGULAR MEETING PLACE OF THE CITY COUNCIL BEING 10601 MAGNOLIA AVENUE, SANTEE, CALIFORNIA, A PUBLIC HEARING WILL BE HELD WHEREIN THIS CITY COUNCIL WILL CONSIDER THE ESTABLISHMENT OF THE PROPOSED CFD NO. 2017-2, THE PROPOSED METHOD AND APPORTIONMENT OF THE SPECIAL TAXES, AND ALL OTHER MATTERS AS SET FORTH IN THIS RESOLUTION OF INTENTION. AT THE ABOVE-MENTIONED TIME AND PLACE FOR PUBLIC HEARING ANY INTERESTED PERSONS, INCLUDING TAXPAYERS AND PROPERTY OWNERS MAY APPEAR AND BE HEARD. THE TESTIMONY OF ALL INTERESTED PERSONS FOR OR AGAINST THE ESTABLISHMENT OF THE COMMUNITY FACILITIES DISTRICT, THE EXTENT OF THE COMMUNITY FACILITIES DISTRICT, OR THE FINANCING OF

AUTHORIZED SERVICES, WILL BE HEARD AND CONSIDERED. ANY PROTESTS MAY BE MADE ORALLY OR IN WRITING. HOWEVER, ANY PROTESTS PERTAINING TO THE REGULARITY OR SUFFICIENCY OF THE PROCEEDINGS SHALL BE IN WRITING AND CLEARLY SET FORTH THE IRREGULARITIES AND DEFECTS TO WHICH THE OBJECTION IS MADE. ALL WRITTEN PROTESTS SHALL BE FILED WITH THE CITY CLERK ON OR BEFORE THE TIME FIXED FOR THE PUBLIC HEARING. WRITTEN PROTESTS MAY BE WITHDRAWN IN WRITING AT ANY TIME BEFORE THE CONCLUSION OF THE PUBLIC HEARING.

IF A WRITTEN MAJORITY PROTEST AGAINST THE ESTABLISHMENT OF CFD NO. 2017-2 IS FILED, THE PROCEEDINGS SHALL BE ABANDONED. IF SUCH MAJORITY PROTEST IS LIMITED TO CERTAIN AUTHORIZED SERVICES OR SPECIAL TAX, THOSE SERVICES OR THAT SPECIAL TAX SHALL BE ELIMINATED BY THE CITY COUNCIL.

Section 8. Election. If, following the public hearing described in the Section above, the City Council determines to establish CFD No. 2017-2 and proposes to levy the Special Taxes within CFD No. 2017-2, the City Council shall then submit the levy of the Special Taxes to the qualified electors of CFD No. 2017-2. If at least twelve (12) persons, who need not necessarily be the same 12 persons, have been registered to vote within CFD No. 2017-2 for each of the ninety (90) days preceding the close of the public hearing, the vote shall be by registered voters of CFD No. 2017-2, with each voter having one (1) vote. Otherwise, the vote shall be by the landowners of CFD No. 2017-2 who were the owners of record at the close of the subject hearing, with each landowner or the authorized representative thereof, having one (1) vote for each acre or portion of an acre of land owned within CFD No. 2017-2.

A successful election relating to the Special Taxes authorization shall, as applicable, establish the appropriations limit as authorized by Article XIII B of the California Constitution as it is applicable to CFD No. 2017-2.

Section 9. Notice of Public Hearing. Notice of the time and place of the public hearing shall be given by the City Clerk by causing the publication of a Notice of Public Hearing in the legally designated newspaper of general circulation, such publication pursuant to Section 6061 of the Government Code, with such publication to be completed at least seven (7) days prior to the date set for the public hearing.

Section 10. Report. The City Manager, as the officer of the City who will be responsible for providing the Authorized Services to be provided within and financed by CFD No. 2017-2, if established, shall study or cause CFD No. 2017-2 to be studied, and, at or before the time of the public hearing as described in Section 7, file a report or cause a report to be filed with the City Council containing a brief description of the Authorized Services which will in her opinion be required to adequately meet the needs of CFD No. 2017-2, and her estimate of the fair and reasonable cost of providing such services, and the incidental expenses to be incurred in connection therewith. Such report shall be made a part of the record of the hearing to be held pursuant to Section 7 hereof.

Section 11. Advances of Funds or Work In-Kind. At any time either before or after the formation of CFD No. 2017-2, the City Council may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities and may provide, by resolution, for the use of those funds or that work-in-kind for any authorized purpose, including, but not limited to, paying any cost incurred by the City in creating CFD No. 2017-2. The City may enter into an agreement, by resolution, with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds so advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the City Council. No such agreement shall constitute a debt or liability of the City.

Section 12. Effective Date. This resolution shall become effective upon its adoption.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 23rd day of August, 2017, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED

JOHN W. MINTO, MAYOR

ATTEST

PATSY BELL, CMC, CITY CLERK

Attachments: Exhibit A
 Exhibit B

DESCRIPTION OF AUTHORIZED SERVICES

I. DESCRIPTION OF SPECIAL TAX A SERVICES

The services which may be funded with proceeds of Special Tax A of CFD No. 2017-2, as provided by Section 53313 of the Act, include the following:

Public safety services, including police protection, law enforcement and code enforcement services, fire protection services and ambulance and paramedic services, and community development services, maintenance and lighting of parks, parkways, streets and open space, which maintenance and lighting services may include, without limitation, furnishing of electrical power to street lights; repair and replacement of damaged or inoperative light bulbs, fixtures and standards; maintenance (including irrigation and replacement) of landscaping vegetation situated on or adjacent to parks, parkways, streets and open space; maintenance and repair of irrigation facilities; maintenance of public signage; graffiti removal from and maintenance and repair of public structures situated on parks, parkways, streets and open space; and maintenance and repair of recreation program equipment or facilities situated on any park, storm water and drainage facilities in the public right of way required to be maintained by the City and costs including the salaries of City staff related to the foregoing and a proportionate share of City overhead costs related to the foregoing.

II. DESCRIPTION OF SPECIAL TAX B (CONTINGENT) SERVICES

The services which may be funded with the proceeds of Special Tax B (Contingent) of CFD No. 2017-2, as provided by Section 53313 of the Act, include the following:

All costs attributable to maintaining, servicing, cleaning, repairing and/or replacing the storm water and drainage facilities required to be constructed as a condition of approval of the development of the property within CFD No. 2017-2, and costs including the salaries of City staff related to the foregoing and a proportionate share of City overhead costs related to the foregoing.

RATE AND METHOD OF APPORTIONMENT

EXHIBIT B

RATE AND METHOD OF APPORTIONMENT FOR CITY OF SANTEE COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)

The following sets forth the Rate and Method of Apportionment for the levy and collection of an Annual Special Tax A and an Annual Special Tax B (Contingent) in Community Facilities District No. 2017-2 (Weston Municipal Services) of the City of Santee ("CFD No. 2017-2"). An Annual Special Tax A shall be levied on and collected in CFD No. 2017-2 each Fiscal Year, in an amount determined through the application of the Rate and Method of Apportionment described below. An Annual Special Tax B (Contingent) shall be levied on and collected in CFD No. 2017-2 in any Fiscal Year as determined by the City through the application of the Rate and Method of Apportionment described below. All of the real property within CFD No. 2017-2, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

SECTION A DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on the Assessor's Parcel Map, the land area as shown on the applicable Final Map, or if the land area is not shown on the applicable Final Map, the land area as calculated by the CFD Administrator or City engineer.

"Act" means the Mello-Roos Community Facilities Act of 1982 as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the administration of CFD No. 2017-2, including but not limited to the following: (i) the costs of computing Special Tax A and Special Tax B (Contingent) and of preparing the annual Special Tax collection schedules (whether by the CFD Administrator or designee thereof, or both); (ii) the costs of collecting Special Tax A and Special Tax B (Contingent) (whether by the County, City, or otherwise); (iii) the costs of responding to property owner inquiries regarding Special Tax A or Special Tax B (Contingent); (iv) the costs of the City or designee related to any appeal of Special Tax A or Special Tax B (Contingent); and (v) an allocable share of the salaries of the City staff and City overhead expense directly relating to the foregoing. Administrative Expenses shall also include amounts advanced by the City for any administrative purposes of CFD No. 2017-2.

"Association" means the nonprofit corporation or unincorporated association created for the purpose of managing the common interest development within CFD No. 2017-2.

"Annual Special Tax A" means for each Assessor's Parcel, the Special Tax A actually levied in a given Fiscal Year on any Assessor's Parcel of Taxable Property.

"Annual Special Tax B (Contingent)" means for each Assessor's Parcel, the Special Tax B (Contingent) actually levied in a given Fiscal Year on any Assessor's Parcel of Taxable Property.

"Approved Property" means all Assessor's Parcels of Taxable Property: (i) that are included in a Final Map that was recorded prior to the January 1st immediately preceding the Fiscal Year in which Special Tax A or Special Tax B (Contingent) is being levied, and (ii) that have not been issued a Building Permit on or before

the May 1st immediately preceding the Fiscal Year in which Special Tax A or Special Tax B (Contingent) is being levied.

"Assessor" means the County Assessor.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of CFD No. 2017-2.

"Assessor's Parcel Map" means an official map of the Assessor designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means that number assigned to a lot or parcel of land by the Assessor for purposes of identification.

"Boundary Map" means a recorded map of the CFD No. 2017-2 which indicates the boundaries of CFD No. 2017-2.

"Building Permit" means the first legal document issued by the city of San Diego granting official permission for new construction. For purposes of this definition, "Building Permit" shall also include any subsequent legal document issued by the city of San Diego or the City that revises the Building Square Footage reflected in the application for any prior Building Permit, as verified by the CFD Administrator.

"Building Square Footage" or "BSF" means the square footage of assessable internal living space, exclusive of garages or other structures not used as living space, as determined by reference to the Building Permit for such Assessor's Parcel and subject to verification by the CFD Administrator.

"Calendar Year" means the period commencing January 1 of any year and ending the following December 31.

"CFD No. 2017-01 Special Tax Requirement" means the Special Tax Requirement applicable to Community Facilities District No. 2017-01 (Weston Infrastructure) of the City of Santee as defined in the rate and method of apportionment of the special taxes thereof.

"CFD No. 2017-2" or "CFD" means Community Facilities District No. 2017-2 (Weston Municipal Services) of the City of Santee established by the City under the Act.

"CFD Administrator" means the Finance Director of the City, or designee thereof, responsible for, among other things, determining the Special Tax A Requirement for Special Tax A and the Special Tax B (Contingent) Requirement for Special Tax B (Contingent) and providing for the levy and collection of said Special Tax A and Special Tax B (Contingent).

"City" means the City of Santee, California.

"City Council" means the City Council of the City of Santee, acting as the legislative body of CFD No. 2017-2.

"County" means the County of San Diego.

"Developed Property" means all Assessor's Parcels of Taxable Property that: (i) are included in a Final Map that was recorded prior to January 1st preceding the Fiscal Year in which Special Tax A or Special Tax B (Contingent) is being levied, and (ii) a building permit was issued on or before May 1st preceding the Fiscal Year in which Special Tax A or Special Tax B (Contingent) is being levied.

“Drainage Facilities” means those storm water and drainage facilities required to be constructed as a condition of approval of the development of the property within CFD No. 2017-2 and over which the City has been granted an easement to maintain and replace such facilities in the event of a Failure to Perform as defined in Section E below.

“Exempt Property” means all Assessor’s Parcels designated as being exempt from Annual Special Tax A and Annual Special Tax B (Contingent) provided for in Section H.

“Final Map” means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 4285 that creates individual lots that do not need, and are not expected, to be further subdivided prior to the issue of a Building Permit.

“Fiscal Year” means the period commencing July 1 of any year and ending the following June 30.

“Land Use Type” means Residential Property, Multifamily Residential Property, or Non-Residential Property.

“Lot(s)” means an individual legal lot created by a Final Map for which a Building Permit for residential construction has been or could be issued. Notwithstanding the foregoing, in the case of an individual legal lot created by such a Final Map upon which condominiums are entitled to be developed, the number of Lots allocable to such legal lot shall equal the number of condominiums which are permitted to be constructed on such legal lot as shown on such Final Map.

“Maximum Special Tax A” means for each Assessor’s Parcel of Taxable Property, the maximum Special Tax A, determined in accordance with Section C that can be levied in any Fiscal Year on such Assessor’s Parcel.

“Maximum Special Tax B (Contingent)” means for each Assessor’s Parcel of Taxable Property, the maximum Special Tax B, determined in accordance with Section E that can be levied in any Fiscal Year on such Assessor’s Parcel.

“Multifamily Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing a building or buildings comprised of attached Units available for rental by the general public, not for sale to an end user, and under common management, as determined by the CFD Administrator.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit was issued for any type of non-residential use.

“Proportionately” means for Taxable Property that is: (i) Developed Property, that the ratio of the Annual Special Tax A and Annual Special Tax B (Contingent) levy to the Maximum Special Tax A and Maximum Special Tax B (Contingent), respectively, is the same for all Assessor’s Parcels of Developed Property, (ii) Approved Property, that the ratio of the Annual Special Tax A levy and Annual Special Tax B (Contingent) levy to the Maximum Special Tax A and Maximum Special Tax B (Contingent), respectively, is the same for all Assessor’s Parcels of Approved Property, and (iii) Undeveloped Property, that the ratio of the Annual Special Tax A levy and Annual Special Tax B (Contingent) levy per acre to the Maximum Special Tax A and Maximum Special Tax B (Contingent) per acre, respectively, is the same for all Assessor’s Parcels of Undeveloped Property.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one or more residential dwelling units, which are not Multifamily Residential Property.

“Resolution of Formation” means the resolution of the City Council establishing CFD No. 2017-2 adopted pursuant to the Act.

“Services” means services permitted under the Act including, without limitation, those services authorized to be funded by the CFD as set forth in the Resolution of Formation, as such services may subsequently be modified pursuant to the Act

“Special Tax A” means the special tax authorized to be levied on Taxable Property within and by CFD No. 2017-2 pursuant to the Act to fund the Special Tax A Requirement.

“Special Tax B (Contingent)” means the special tax authorized to be levied on Taxable Property within and by CFD No. 2017-2 pursuant to the Act to fund the Special Tax B (Contingent) Requirement.

“Special Taxes” means any of the Special Taxes authorized to be levied on Taxable Property within and by CFD No. 2017-2 pursuant to the Act to fund the Special Tax A Requirement and the Special Tax B (Contingent) Requirement.

“Special Tax A Requirement” means, subject to the Maximum Special Tax A, that amount to be collected in any Fiscal Year to pay for certain municipal Services as required to meet the needs of CFD No. 2017-2 excluding the Drainage Facilities . The costs of municipal Services to be covered shall be the direct costs for (i) municipal Services, and (ii) Administrative Expenses (apportioned between Special Tax A and Special Tax B (Contingent)); less (iii) a credit for funds available to reduce the Annual Special Tax A levy, if any, as determined by the CFD Administrator. Under no circumstances shall the Special Tax A Requirement include funding for any portion of the CFD No. 2017-01 Special Tax Requirement.

“Special Tax B (Contingent) Requirement” means, subject to the Maximum Special Tax B (Contingent), that amount to be collected in any Fiscal Year to pay the estimated costs of replacement and providing Services, including the salaries of City staff related to and a proportionate share of City overhead costs, for the maintenance and replacement of the Drainage Facilities. Under no circumstances shall the Special Tax B (Contingent) Requirement include funding for any portion of the CFD No. 2017-01 Special Tax Requirement.

“Taxable Property” means all Assessor’s Parcels within CFD No. 2017-2, which are not Exempt Property.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property which are not Developed Property or Approved Property.

“Unit” means any residential structure.

SECTION B CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2017-18, each Assessor’s Parcel within CFD No. 2017-2 shall be classified as Taxable Property or Exempt Property. In addition, each Assessor’s Parcel of Taxable Property shall be further classified as Developed Property, Approved Property, or Undeveloped Property. In addition, each Assessor’s Parcel of Developed Property shall further be classified as Residential Property, Multifamily Residential Property or Non-Residential Property.

SECTION C MAXIMUM SPECIAL TAX A

1. **Developed Property**

Maximum Special Tax A

Each Fiscal Year, each Assessor's Parcel of Residential Property, Multifamily Residential Property, and Non-Residential Property shall be subject to a Maximum Annual Special Tax A.

The Maximum Annual Special Tax A applicable to an Assessor's Parcel of Developed Property shall be determined using Table 1 below.

TABLE 1
MAXIMUM SPECIAL TAX A RATES
FOR DEVELOPED PROPERTY

Land Use Type	Rate
Residential Property	\$272 per Unit
Multifamily Residential Property	\$2,208 per Acre
Non-Residential Property	\$2,208 per Acre

2. **Approved Property**

Each Fiscal Year, each Assessor's Parcel of Approved Property shall be subject to a Maximum Annual Special Tax A.

The Maximum Annual Special Tax A applicable to an Assessor's Parcel of Approved Property shall be determined using Table 2 below.

TABLE 2
MAXIMUM SPECIAL TAX A RATES
FOR APPROVED PROPERTY

Land Use Type	Rate
Approved Property	\$166 per Lot

3. **Undeveloped Property**

Each Fiscal Year, each Assessor's Parcel of Undeveloped Property shall be subject to a Maximum Annual Special Tax A.

The Maximum Annual Special Tax A applicable to an Assessor's Parcel of Undeveloped Property shall be determined using Table 3 below.

TABLE 3
MAXIMUM SPECIAL TAX A RATES
FOR UNDEVELOPED PROPERTY

Land Use Type	Rate
Undeveloped Property	\$1,348 per Acre

4. Increase in the Maximum Special Tax A

On each July 1, commencing July 1, 2018, the Maximum Special Tax A for all Taxable Property shall be increased by an amount equal to (i) the annual percentage increase in the San Diego Consumer Price Index, All Items for all Urban Consumers (CPI-U), 2nd Half Semi-Annual Average, or (ii) by three and one-half (3.5%), whichever is greater, of the amount in effect for the previous Fiscal Year.

**SECTION D
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX A**

Commencing Fiscal Year 2018-19 and for each subsequent Fiscal Year, the City Council shall determine the Special Tax A Requirement and shall levy Special Tax A on all Assessor's Parcels of Taxable Property until the aggregate amount of Special Tax A equals the Special Tax A Requirement. Special Tax A shall be levied for each Fiscal Year as follows:

First: Special Tax A shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Maximum Special Tax A to satisfy the Special Tax A Requirement;

Second: If additional moneys are needed to satisfy the Special Tax A Requirement after the first step has been completed, Special Tax A shall be levied Proportionately on each Assessor's Parcel of Approved Property at up to 100% of the Maximum Special Tax A for Approved Property;

Third: If additional monies are needed to satisfy the Special Tax A Requirement after the first two steps have been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax A for Undeveloped Property.

**SECTION E
AUTHORITY TO LEVY SPECIAL TAX B (CONTINGENT)**

The City Council shall levy Special Tax B (Contingent) commencing in the first Fiscal Year following the occurrence of any of the following events (each such event, a "Failure to Perform"):

- a. the Association files a voluntary petition in bankruptcy or the approval by a court of competent jurisdiction of a petition applicable to the Association of any proceedings instituted under the Federal Bankruptcy Code, as amended;
- b. the Association is dissolved;
- c. the Association fails to levy annual assessments sufficient to fund the maintenance or replacement of the Drainage Facilities; or
- d. the Association fails to maintain the Drainage Improvements as the same level as the City maintains similar improvements throughout the City.

In the event of the occurrence of a Failure to Perform described in d. above, the City shall give the Association written notice of such event. If such Failure to Perform is reasonably capable of being cured within sixty (60) days from the date of such notice, the Association shall have such period to cure such Failure to Perform prior to the levy by the City Council of Special Tax B (Contingent). If such Failure to Perform is such that it is reasonably capable of being cured, but not within such sixty (60) day period and the Association (i) initiates corrective action within such sixty (60) day period, and (ii) diligently, continually, and in good faith works to effect a cure of such Failure to Perform as soon as possible, then the Association shall have such additional time, as is reasonably necessary, to cure such Failure to Perform prior to the levy by the City Council of Special Tax B (Contingent). However, in no event shall the City Council be precluded from

levying Special Tax B (Contingent) if the public safety is imminently threatened by the Association’s Failure to Perform.

The City Council may suspend the levy of Special Tax B (Contingent) if the Association has cured the Failure to Perform to the satisfaction of the City Council and the Association has agreed to such conditions as the City Council may find necessary to minimize the occurrence of such Failure to Perform in the future.

MAXIMUM SPECIAL TAX B (CONTINGENT)

1. Developed Property

Maximum Special Tax B (Contingent)

In any Fiscal Year in which the Series B (Contingent) is levied, each Assessor’s Parcel of Residential Property, Multifamily Residential Property, and Non-Residential Property shall be subject to a Maximum Annual Special Tax B (Contingent).

The Maximum Annual Special Tax B (Contingent) applicable to an Assessor’s Parcel of Developed Property shall be determined using Table 4 below.

TABLE 4
MAXIMUM SPECIAL TAX B (CONTINGENT) RATES
FOR DEVELOPED PROPERTY

Land Use Type	Rate
Residential Property	\$468 per Unit
Multifamily Residential Property	\$3,799 per Acre
Non-Residential Property	\$3,799 per Acre

2. Approved Property

In any Fiscal Year in which the Series B (Contingent) Special Tax is levied, each Assessor’s Parcel of Approved Property shall be subject to a Maximum Annual Special Tax B (Contingent).

The Maximum Annual Special Tax B (Contingent) applicable to an Assessor’s Parcel of Approved Property shall be determined using Table 5 below.

TABLE 5
MAXIMUM SPECIAL TAX B (CONTINGENT) RATES
FOR APPROVED PROPERTY

Land Use Type	Rate
Approved Property	\$468 per Lot

3. Undeveloped Property

In any Fiscal Year in which the Series B (Contingent) Special Tax is levied, each Assessor’s Parcel of Undeveloped Property shall be subject to a Maximum Annual Special Tax B (Contingent).

The Maximum Annual Special Tax B (Contingent) applicable to an Assessor’s Parcel of Undeveloped Property shall be determined using Table 6 below.

TABLE 6
 MAXIMUM SPECIAL TAX B (CONTINGENT) RATES
 FOR UNDEVELOPED PROPERTY

Land Use Type	Rate
Undeveloped Property	\$3,799 per Acre

4. Increase in the Maximum Special Tax B (Contingent)

On each July 1, commencing July 1, 2018, the Maximum Special Tax B (Contingent) for all Taxable Property shall be increased by an amount equal to (i) the annual percentage increase in the San Diego Consumer Price Index, All Items for all Urban Consumers (CPI-U), 2nd Half Semi-Annual Average, or (ii) by three and one-half percent (3.5%), whichever is greater, of the amount in effect for the previous Fiscal Year.

**SECTION F
 METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX B (CONTINGENT)**

In the first Fiscal Year that the Special Tax B (Contingent) is levied and in any subsequent Fiscal Year, the City Council shall determine the Special Tax B (Contingent) Requirement and shall levy Special Tax B (Contingent) on all Assessor's Parcels of Taxable Property until the aggregate amount of Special Tax B (Contingent) equals the Special Tax B (Contingent) Requirement. Special Tax B (Contingent) shall be levied in any Fiscal Year as follows:

First: Special Tax B (Contingent) shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Maximum Special Tax B (Contingent) to satisfy the Special Tax B (Contingent) Requirement;

Second: If additional moneys are needed to satisfy the Special Tax B (Contingent) Requirement after the first step has been completed, Special Tax B (Contingent) shall be levied Proportionately on each Assessor's Parcel of Approved Property at up to 100% of the Maximum Special Tax B (Contingent) for Approved Property;

Third: If additional monies are needed to satisfy the Special Tax B (Contingent) Requirement after the first two steps have been completed, the Special Tax B (Contingent) shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax B (Contingent) for Undeveloped Property.

**SECTION G
 TERM OF SPECIAL TAX A AND SPECIAL TAX B (CONTINGENT)**

For each Fiscal Year, Special Tax A shall be levied in perpetuity as long as the municipal Services are being provided.

Special Tax B (Contingent) shall be levied in any Fiscal Year as deemed necessary by the City to satisfy the Special Tax B (Contingent) Requirement.

**SECTION H
 EXEMPT PROPERTY**

The CFD Administrator shall classify as Exempt Property, (i) Assessor’s Parcels which are owned by, irrevocably offered for dedication, encumbered by or restricted in use by the State of California, federal or other local governments, including school districts, (ii) Assessor’s Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, (iii) Assessor’s Parcels which are owned by, irrevocably offered for dedication, encumbered by or restricted in use by a homeowners' association, (iv) Assessor’s Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (v) Assessor’s Parcels which are privately owned and are encumbered by or restricted solely for public uses, or (vi) other types of public uses determined by the CFD Administrator. The CFD Administrator shall classify such Assessor’s Parcels as Exempt Property in the chronological order in which property becomes Exempt.

Notwithstanding the foregoing, the CFD Administrator for purposes of levying the Special Taxes shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property to less than the Acreage amount listed in Table 7 below.

TABLE 7
MINIMUM TAXABLE ACRES

Acres
51.13

**SECTION I
APPEALS AND INTERPRETATIONS**

Any property owner claiming that the amount or application of the Annual Special Tax A or the Annual Special Tax B (Contingent) is not correct may file a written notice of appeal with the CFD Administrator not later than twelve months after having paid the first installment of the Special Tax that is disputed. The CFD Administrator of CFD No. 2017-2 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Annual Special Tax A or Annual Special Tax B (Contingent) and rule on the appeal. If the CFD Administrator’s decision requires that the Annual Special Tax A or Annual Special Tax B (Contingent) for an Assessor’s Parcel be modified or changed in favor of the property owner, a cash refund shall not be made, but an adjustment shall be made to the Annual Special Tax A or Annual Special Tax B (Contingent) on that Assessor’s Parcel in the subsequent Fiscal Year(s).

The City Council may interpret this Rate and Method of Apportionment of Annual Special Tax A and Annual Special Tax B (Contingent) for purposes of clarifying any ambiguity and make determinations relative to the amount of Administrative Expenses.

**SECTION J
MANNER OF COLLECTION**

The Annual Special Tax A and Annual Special Tax B (Contingent) shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD 2017-2 may collect the Annual Special Tax A or Annual Special Tax B (Contingent) at a different time or in a different manner if necessary to meet its financial obligations.

City of Santee
COUNCIL AGENDA STATEMENT

6A

MEETING DATE August 23, 2017

AGENDA ITEM NO.

ITEM TITLE RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE APPROVING A PARK DEVELOPMENT AGREEMENT WITH PARDEE HOMES, INC. FOR THE DEVELOPMENT OF A PUBLIC PARK WITHIN THE "WESTON" SUBDIVISION (FORMERLY "CASTLEROCK") AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT

DIRECTOR/DEPARTMENT Bill Maertz, Community Services *WML*
Melanie Kush, Development Services *JK*

SUMMARY The "Weston" community, located north of Mast Boulevard and west of Medina Drive, consists of 415 proposed dwelling units. As part of the Annexation Agreement Pardee Homes LLC ("Pardee") is required to dedicate and improve a 4-acre neighborhood park with at least 3 acres of usable area. This park will be located near the north end of the development, and will be constructed with the last phase (Unit 5B). This will ensure that the park is integrated, accessed by completed streets and be near to occupied homes (Location Map attached).

During the San Diego entitlement approval process, the environmental impacts of the park construction were studied, but the specific park design and construction details were to be worked out through a separate agreement between the City of Santee and Pardee, if the related reorganization was approved. The approved Planned Development Permit No. 1366476 issued by the City of San Diego, requires that a Park Development Agreement be executed prior to the issuance of the first building permit. Attached to the Resolution is the Park Development Agreement (Exhibit A) which reflects compliance with the Annexation Agreement specific to the dedication and development of a minimum 4-acre public park. The Agreement specifies park amenities: monument sign, restroom building, shade structure, picnic tables/benches, drinking fountains for pets and people, bicycle repair station and an equestrian staging area. Design and construction plans would be finalized as building permits are sought from the City of San Diego for Phase 5B. Other agreement highlights are in the staff report.

ENVIRONMENTAL REVIEW This item is an agreement between the City and Pardee Homes related to the development project. This project was evaluated by the City of San Diego, as the lead agency, under the California Environmental Quality Act ("CEQA"), in an Environmental Impact Report ("EIR") (State Clearing House number 2004061029). This park, included with the overall project, was evaluated in the EIR. No subsequent environmental review is required for the park under Public Resources Code 21166 and State CEQA Guidelines section 15162 as there have been no changes to the project, changed circumstances, or new information that could not previously have been known. *mm*

FINANCIAL STATEMENT Pursuant to the Park Development Agreement, Pardee is estimated to receive \$2,873,764.83 in parkland credit, with a balance of park-in-lieu fees due to the City at project completion, estimated to be \$201,815.17.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MAB* Adopt the Resolution approving a Park Development Agreement, in substantial conformance with the attached, and authorize the City Manager to execute the Agreement with Pardee Homes LLC, with any additional conforming changes as approved by the City Attorney.

ATTACHMENTS
Staff Report
Resolution with Exhibit A - Park Development Agreement
Location Map

STAFF REPORT
CITY COUNCIL MEETING

August 23, 2017

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE APPROVING A PARK DEVELOPMENT AGREEMENT WITH PARDEE HOMES, INC. FOR THE DEVELOPMENT OF A PUBLIC PARK WITHIN THE “WESTON” SUBDIVISION (FORMERLY “CASTLEROCK”) AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT

As provided in the Annexation Agreement, the park would be developed by Pardee at its sole cost (Exhibit H). Noted is that the cost of park development, estimated at \$3,005,008 may be reimbursed from a Community Facilities District contemplated by Pardee and the City of Santee. Refer to Section 1.2 of the Park Development Agreement.

A. Key components of the Park Development Agreement:

1. The Park Development Process

The Park Development Agreement outlines the process by which the City of Santee would review and approve the 4.47-acre park site plan and design before construction plans are submitted to the City of San Diego. The first step would be the approval of a design development plan. Refer to section 4.1.

Santee and San Diego would review construction plans concurrently, and the City of Santee staff would ensure that amenities shown on the approved design development plan are reflected in the construction plans. Refer to sections 4.1, 4.2, and 6.2.

Plans would be prepared and approved before the first building permit is issued in Unit 5B, expected to be at the 381st building permit. Refer to section 5.10(1).

The park would be complete and ready for public use before the issuance of the final occupancy of the last unit, but no later than 5 years from the effective date of the Agreement. Refer to section 5.10(2).

2. Park Features

The Agreement identifies features that must be incorporated to meet City of Santee's expectations for a usable, attractive park with architecturally designed restroom, signage, parking and trail connection to the future, publically accessed Stowe Trail.

Specifically,

- ✓ A public restroom designed to LEED standards, with security lighting and storage of park maintenance equipment.
- ✓ A shade pavilion with a minimum of four picnic tables and other benches throughout
- ✓ Stabilized decomposed granite walking paths
- ✓ Parking area (17 cars) and an equestrian staging area
- ✓ Bicycle rack and bicycle repair station
- ✓ Water bottle fill stations
- ✓ Pet waste stations
- ✓ Park monument signage
- ✓ Landscaping and Irrigation

B. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

This item is an agreement between the City and Pardee Homes related to the development project. This project was evaluated by the City of San Diego, as the lead agency, under the California Environmental Quality Act ("CEQA"), in an Environmental Impact Report ("EIR") (State Clearing House number 2004061029). This park, included with the overall project, was evaluated in the EIR. In 2013, in conjunction with its approval of the Annexation Agreement, the City of Santee adopted Resolution No. 088-2013 making certain responsible agency findings under State CEQA Guidelines sections 15381 and 15096 that it reviewed and considered the Final EIR and related documents and concluded that they analyzed and mitigated where feasible the environmental impacts associated with approval of the Annexation Agreement. The City Council considered and approved the certified Final EIR, San Diego's Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program for the project. No subsequent environmental review is required for the park under Public Resources Code 21166 and State CEQA Guidelines section 15162 as

there have been no changes to the project, changed circumstances, or new information that could not previously have been known.

C. STAFF RECOMMENDATION

Adopt the Resolution approving a Park Development Agreement, in substantial conformance with the attached, and authorize the City Manager to execute the Agreement with Pardee Homes LLC, with any additional conforming changes as approved by the City Attorney.

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE APPROVING A PARK DEVELOPMENT AGREEMENT WITH PARDEE HOMES, INC. FOR THE DEVELOPMENT OF A PUBLIC PARK WITHIN THE "WESTON" SUBDIVISION (FORMERLY "CASTLEROCK") AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT

WHEREAS, on September 16, 2013, by Resolution No. R-2014-92, the San Diego City Council approved an Environmental Impact Report ("EIR"), adopted environmental findings, a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the "Weston" (formerly "Castlerock") Project approvals and, by Resolution No. R-2014-91 and Ordinance Nos. O-2014-23, O-2014-24, O-2014-25 and O-2014-26, approved the following: general plan amendment, community plan amendment, rezone, site development permit, planned development permit, Multi-Habitat Planning Area boundary line adjustment, vesting tentative map, easement vacation and annexation agreement. The approvals and adoptions are herein referred to as "San Diego Project Entitlements," and are subject to certain conditions determined necessary for Developer's Project; and

WHEREAS, on October 9, 2013, via Resolution No. 087-2013, Santee City Council approved the Annexation Agreement and a resolution of application to the Local Agency Formation Commission ("LAFCO") to implement the annexation. The Santee City Council's actions are herein referred to as "Santee Annexation Actions"; and

WHEREAS, on August 4, 2015, the City of San Diego amended Planned Development Permit No. 1366476, which modified the approved "Weston" residential development ("Project"), to result in a total of 415 dwelling units and retaining a public Neighborhood Park in Unit 5B of the development site; and

WHEREAS, the San Diego Project Entitlements included the Neighborhood Park and impacts were included and evaluated under the California Environmental Quality Act ("CEQA") with an Environmental Impact Report (State Clearinghouse Number 2004061029) and Addendum to Environmental Impact Report No. 388889; and,

WHEREAS, Condition 50 of the amended Planned Development Permit included in the San Diego Project Entitlements states "Prior to issuance of the first building permit, the Owner/Permittee shall assure, through a Park Development Agreement, the design, construction and conveyance of a 4.47-acre public Park to the City of Santee"; and

WHEREAS, Exhibit H of the Annexation Agreement includes a provision for the dedication and improvement to a 4-acre gross and 3-acre net usable Neighborhood Park, with improvements to be, at a minimum, as shown on the landscaping plan, and shall include internal paths (decomposed granite) and concrete sidewalks, restroom, shade structures, picnic tables, removable bollards at the Park entrance, as well as a path connection with drought-tolerant plantings to and from the north-south trail to the Park ("Neighborhood Park" or "Park").

RESOLUTION NO. _____

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

SECTION 1. Pardee Homes Inc. and the City of Santee desire to enter into a Park Development Agreement in accordance with the City of San Diego Project Entitlements and the Annexation Agreement, attached hereto as Exhibit A.

SECTION 2. The Project was evaluated by the City of San Diego, as the lead agency, under the California Environmental Quality Act ("CEQA"), in an Environmental Impact Report ("EIR") (State Clearing House Number 2004061029) and City of San Diego Addendum to EIR No. 388889. This park, included with the overall project, was evaluated in the EIR. In 2013, in conjunction with its approval of the Annexation Agreement, the City of Santee adopted Resolution No. 088-2013 making certain responsible agency findings under State CEQA Guidelines sections 15381 and 15096 that it reviewed and considered the Final EIR and related documents and concluded that they analyzed and mitigated where feasible the environmental impacts associated with approval of the Annexation Agreement. The City Council considered and approved the certified Final EIR, San Diego's Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program for the project. No subsequent environmental review is required for the park under Public Resources Code 21166 and State CEQA Guidelines section 15162 as there have been no changes to the project, changed circumstances, or new information that could not previously have been known.

SECTION 3. The City Manager is hereby authorized to execute the Park Development Agreement with Pardee Homes Inc. and to make modifications that do not substantially alter the terms of the Agreement.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 23rd day of August 2017, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

PATSY BELL, CMC, CITY CLERK

ATTACHMENT: EXHIBIT A – PARK DEVELOPMENT AGREEMENT

RECORDING REQUESTED BY:

City of Santee, California

AFTER RECORDING MAIL TO:

City Clerk
City of Santee
10601 Magnolia Avenue
Santee, CA 92071-1266

**PARK DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF SANTEE AND PARDEE HOMES, INC.
FOR WESTON PARK**

THIS PARK DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into between the CITY OF SANTEE, a municipal corporation and charter city (“Santee”), and PARDEE HOMES, INC., a California corporation (“Developer”). Santee and Pardee are sometimes collectively referred to in this Agreement as the “Parties” or individually as the “Party.” The Parties enter into this Agreement to provide for the design, construction and dedication of a Neighborhood Park and related facilities, located in Developer’s residential Weston project (Project No. 10046), formerly known as Castlerock (the “Project” or “Weston”) in accordance with the Annexation Agreement and Project Entitlements, as described in this Agreement. The Parties enter into this Agreement in light of the following recited facts (each a “Recital”).

RECITALS

A. Developer is the owner/developer of 203.64 undeveloped acres located in what was formerly the eastern edge of the City of San Diego (“San Diego”) on the north side of Mast Boulevard between Medina Drive and West Hills Parkway, adjacent to Santee, and within the East Elliott Community Plan area (the “Property”) (as specifically described in Exhibit A attached hereto);

B. On or about September 16, 2013, by Resolution No. R-2014-92, the San Diego City Council approved an Environmental Impact Report (“EIR”), adopted environmental findings, a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the Project approvals and, by Resolution No. R-2014-91 and Ordinance Nos. O-2014-23, O-2014-24, O-2014-25 and O-2014-26, approved the following: general plan amendment, community plan amendment, rezone, site development permit, planned development permit, Multi-Habitat Planning Area boundary line adjustment, vesting tentative map, easement vacation and annexation agreement. The approvals and adoptions are herein referred to as “San Diego Project Entitlements,” and are subject to certain conditions determined necessary for Developer’s Project

C. On or about October 1, 2013, by Ordinance No. O-20306, San Diego approved an annexation agreement by and between San Diego, Santee, Padre Dam Municipal Water District (“Padre Dam”) and Developer dated August 26, 2013 (“Annexation Agreement”) for deannexation of the Property from San Diego and the annexation of the Property into Santee;

D. On or about October 9, 2013, via Resolution No. 087-2013, Santee City Council approved the Annexation Agreement and a resolution of application to the Local Agency Formation Commission (“LAFCO”) to implement the annexation. The Santee City Council’s actions are herein referred to as “Santee Annexation Actions.”

E. On or about October 16, 2013, via Resolution No. 2013-32, Padre Dam approved the Annexation Agreement (“Padre Dam Annexation Action”);

F. In response to approval of the Annexation Agreement and an applicable settlement agreement, on or about August 4, 2015, via Ordinance Nos. O-2015-164, O-2015-165 and O-2015-168, San Diego City Council approved amendments to the San Diego Project Entitlements. The amended approvals and adoptions are herein referred to as “Amended San Diego Project Entitlements,” and are subject to certain conditions determined necessary for Developer’s Project. The Amended San Diego Project Entitlements, the Santee Annexation Actions and the Padre Dam Annexation Action are collectively referred to as “Project Entitlements;”

G. On or about August 1, 2016, LAFCO certificated the Certificate of Completion and the Annexation Agreement and recorded it in the County of San Diego Recorder’s Office as Document Number 2016-0387239, thereby completing the reorganization of the Property into Santee;

H. Condition 50 of the amended planned development permit included in the Project Entitlements states: “Prior to issuance of the first building permit, the Owner/Permittee shall assure through a Park Development Agreement, the design, construction and conveyance of a 4.47 acre public Park to the City of Santee;” and

I. Exhibit H of the Annexation Agreement includes a provision for the dedication and improvement to a 4-acre gross and 3-acre net usable Neighborhood Park, with improvements to be, at a minimum, as shown on the landscaping plan, and shall include internal paths (decomposed granite) and concrete sidewalks, restroom, shade structures, picnic tables, removable bollards at the Park entrance, as well as a path connection with drought-tolerant plantings to and from the north-south trail to the Park (“Neighborhood Park” or “Park”); and

J. In order to address Condition 50 and Exhibit H of the Annexation Agreement, Developer and Santee desire to enter into this Agreement to dedicate the Park to Santee.

NOW, THEREFORE, in consideration of the recitals and mutual obligations of the Parties, and for other good and valuable consideration, Santee and Developer agree as follows:

A G R E E M E N T

1. Offer to Dedicate Park Property and Agreement to Improve Park Property.

1.1 *Offer to Dedicate.* Developer hereby irrevocably offers to dedicate a minimum of 4.47 acres of property to Santee in fee simple, including the Neighborhood Park for use as a Neighborhood Park in the Weston development, the exact location and legal description of which is as described in Exhibit B, attached hereto and made part of this Agreement (the "Park Property").

1.2 *Improvement of Park.* Developer hereby further agrees to construct all improvements on the Park Property for the full development of the Neighborhood Park, with three (3) acres of net usable area pursuant to the Annexation Agreement ("Exhibit H") and to dedicate all improvements to Santee, the acceptance of same by Santee shall be subject to and in accordance with the terms of this Agreement. Developer shall construct these improvements at its sole cost but may be reimbursed pursuant to and from a community facilities district contemplated by Developer and Santee. The Park will be named by Santee, through the Director of Community Services, with input from Santee's Park and Recreation Committee.

1.3 *Duty to Post Security.* Developer has provided to Santee, a performance and payment bond ("Performance Bond"), in the amount of \$3,005,008.00, for costs identified on Exhibit C attached hereto and made part of this Agreement, ("Cost Estimate") for the costs of constructing the Neighborhood Park and provide proof thereof to Santee. The Performance Bond guarantees the faithful performance of this Agreement.

1.3.1 Form of Bond. The Performance Bond is in a form acceptable to the City Engineer and the City Attorney.

1.3.2 Bond Term. The Performance Bond shall remain in full force and effect for the term of this Agreement, and until such time as the City in writing affirmatively releases Developer from its bond obligation.

1.3.3 Certificate of Agency. All bonds signed by an agent must be accompanied by a certified copy of such agent's authority to act.

1.3.4 Licensing and Rating. The Performance Bond has been executed by responsible surety companies admitted to do business in the State of California, licensed or authorized in the jurisdiction in which the Neighborhood Park is located to issue bonds for the limits required by this Agreement, secured through an authorized agent with an office in California, and have a minimum AM Best rating of "A-" to an amount not to exceed ten percent (10%) of its capital and surplus.

1.3.5 Insolvency or Bankruptcy. If the surety on any bond furnished by Developer is declared bankrupt or becomes insolvent or its right to do business is terminated in any state where the Neighborhood Park is located, Developer shall within seven (7) calendar days thereafter substitute or require the substitution of another bond and surety, acceptable to Santee.

1.3.6 Increase in Amount of Performance Bond. If, at any time, following the execution of this Agreement, the estimated costs of the Neighborhood Park are anticipated to exceed the Cost Estimate, due to change in scope or cost escalation, Developer shall at Santee's direction, within thirty (30) calendar days, increase the amount of the Performance Bond by the change in the Cost Estimate.

1.3.7 Attorney's Fees. In the event Santee prevails in an action upon any bond posted, Santee shall be entitled to reasonable attorney's fees to be fixed by a court.

1.3.8 Early Release of Bond. Any time following the execution of this Agreement, the bond for this Agreement may be released or reduced if a subsequent bond is provided for the construction of the Neighborhood Park that satisfy this Agreement, to the satisfaction of the City Engineer.

1.4 Model Units. San Diego has issued building permits for fourteen (14) model units to be constructed by Developer after Developer's posting of the Performance Bond. Developer paid to Santee applicable impact fees as required by the Annexation Agreement, but has not yet paid Park In Lieu Fees to Santee for these units. Developer shall pay to Santee the Park In Lieu Fees for these units in a manner consistent with this Agreement concurrently with the payment of Park In Lieu Fees for the first production unit of phase one of the Project.

2. Purpose. The Neighborhood Park shall be intended to serve passive recreational needs and to provide an equestrian staging area associated with public access to a new trailhead and improved two-mile public trail anticipated in Santee's General Plan.

3. Term. This Agreement shall be effective upon the date it is executed by the City Manager, after all other signatures are obtained, in accordance with Santee Municipal Code ("Effective Date"). Unless otherwise terminated, the Agreement shall be effective until the Neighborhood Park is accepted by Santee ("Term").

4. Approval of Neighborhood Park Plans.

4.1 Design Development Plans. Design Development Plans for the Neighborhood Park shall be reviewed by the Santee Park and Recreation Committee and approved by Santee Director of Community Services prior to Developer submitting Construction Documents to Santee and San Diego for concurrent review and approval. The Neighborhood Park Design Development Plans shall include the following features:

4.1.1 One (1) public restroom facility designed to LEED standards that includes a storage room for maintenance equipment. Security lighting shall be provided for this restroom facility;

4.1.2 Stabilized decomposed granite walking paths designed for emergency vehicle access, within the Neighborhood Park, leading to an offsite connection to public access to a new trailhead and improved two-mile public trail. Other sidewalks shall be paved;

4.1.3 One (1) shade pavilion with a minimum of four (4) picnic tables. Picnic areas will be located away from storm drain inlets and catch basins. Where possible, these areas

shall be surrounded by unpaved areas, allowing storm water runoff to infiltrate into the ground before reaching the storm drain system;

4.1.4 Public parking for a minimum seventeen (17) vehicles, of which at least two (2) shall be compliant with Americans with Disabilities Act standards. Parking stalls shall be nine (9) feet in width and nineteen (19) feet in length;

4.1.5 Crescent driveway with one-way entrance and exit

4.1.6 One (1) equestrian staging area, stabilized with decomposed granite that accommodates a minimum of three (3) trailers. The area shall be of sufficient size for handling horses. This area shall be located away from drainage swales and inlets. An intact container with a lid shall be provided for horse dropping disposal;

4.1.7 One solid roof-covered (1) trash dumpster enclosure, fully enclosed by a solid, six-foot high decorative masonry block wall, capped with a decorative wall cap, with painted view-obscuring metal gates, with grating to provide full trash capture;

4.1.8 A minimum of three (3) park benches;

4.1.9 Two (2) water bottle fill stations with integrated drinking fountains;

4.1.10 One (1) bicycle rack;

4.1.11 A minimum of two (2) dog bag dispensers located at access points to the Neighborhood Park. Signs shall be placed adjacent to the dispensers advising pet owners of their obligations to pick up after their animals;

4.1.12 A minimum of three (3) fully covered trash and recycling receptacles;

4.1.13 One bicycle repair station;

4.1.14 Specimen trees at the entrances, a minimum of 36-inch box size. All other trees shall be a minimum 24-inch box;

4.1.15 All proposed fencing, which shall be decorative and graffiti-coated; and

4.1.16 Detailed design for Park entry monument, regulatory and directional signage.

4.2 *Construction Documents.* After the Design Development Plans for the Neighborhood Park are approved by Santee, Developer shall submit for approval Construction Documents detailing the grading, landscape planting, irrigation, hardscape and site improvements, including architectural building plans for the play structures, restroom facility, picnic structure, signage, lighting, trash enclosure, landscaping, irrigation and fencing.

4.2.1 The Neighborhood Park Construction Documents, consisting of the grading plan, improvement plans and building permit application, shall be submitted to Santee

for substantial conformance review and approval concurrently with the submittals to San Diego for plan check, approval and permitting.

4.2.2 The Construction Documents shall be based upon the Design Development Plans approved by Santee and shall incorporate the features listed in Section 4.1 above.

4.2.3 The grading plan for the Neighborhood Park shall be based on criteria established by "The Consultant's Guide to Park Design and Development" prepared by the City of San Diego, which is incorporated into this Agreement by reference.

4.2.4 All landscaping and irrigation shall meet the requirements of Santee Municipal Code sections 17.30.020.L and 17.08.070.C, and the applicable standards of Santee Municipal Code Chapter 17.36 – Landscape and Irrigation Regulations. All irrigation shall be designed for reclaimed water use, unless otherwise approved by Padre Dam.

4.2.5 Where irrigation is necessary, the system shall be designed to minimize the potential for irrigation runoff during normal operations and during a break in the line.

4.2.6 All trees planned in and within ten (10) feet of the public right-of-way and adjacent to concrete walkways and parking areas shall be installed with Santee-approved root control barriers

4.2.7 All recommended measures identified in the approved geotechnical study and approved grading plans included in the Project Entitlements shall be incorporated into the Construction Documents;

4.2.8 All lighting shall be depicted on the Construction Documents, and shall be designed to limit illumination and glare impacts to surrounding properties and open space areas.

4.3 Santee shall accept, timely review and appropriately consider the plans submitted by Developer for review and approval, which approval shall not be unreasonably withheld.

5. Developer's Obligations. Prior to performing any work on the Park Property, Developer shall:

5.1 Obtain final approval from San Diego for a grading plan for the Neighborhood Park;

5.2 Obtain a grading permit for the Neighborhood Park from San Diego;

5.3 Obtain final approval from San Diego for drainage design prepared by a registered Civil Engineer. The design shall be consistent with and implement the recommendations in the previously approved drainage study for the Project;

5.4 Prepare a project Storm Water Quality Management Plan ("SWQMP") or a Neighborhood Park specific SWQMP in compliance with the design requirements for storm

water in effect at the time. The SWQMP shall include best management practices (“BMPs”) to address water quality and hydromodification. An Operation and Maintenance Plan, describing maintenance requirements, costs for BMPs maintenance and provision of maintenance shall also be prepared. A Storm Water Facilities Maintenance Agreement accepting responsibility for all structural BMPs maintenance and repair, as outlined in the Operation and Maintenance Plan, shall be binding on Developer until the Neighborhood Park is accepted by Santee; and pay all plan check and inspection fees in accordance with the San Diego Fee Schedule.

5.5 Following approval of the Park Construction Documents and prior to the commencement of construction, Developer shall establish and submit to Santee a written schedule (“Project Schedule”) showing construction milestones for inspection purposes. Developer shall allow Santee’s authorized representative reasonable access to the site during normal business hours, which are Monday through Friday, 8:00am to 5:00pm, excepting legal holidays, and shall furnish Santee with information reasonably necessary for Santee to ascertain that methods, materials and workmanship comply with the requirements of this Agreement and the approved Park plans.

5.5.1 Prior to commencement of construction, provide evidence to Santee that biological mitigation measures associated with the Neighborhood Project site grading have been met to the satisfaction of San Diego. Santee shall have no obligation to mitigate for the loss of any natural resources, nor to obtain resource agency permits nor to participate in any Habitat Management Plan if triggered by Park development of the Neighborhood Park site.

5.5.2 Prior to construction, Developer shall submit a complete set of plans for the Neighborhood Park, including a site plans, landscape plan(s), precise grading plan(s), and on-site improvement plans(s) to the Santee Director of Community Services for substantial conformance review and approval.

5.6 All construction of the Park improvements shall be done in a workmanlike and professional manner and in conformance with the approved Park plans and applicable laws.

5.7 *Bidding Documents.* Developer shall comply with the GUIDELINES FOR THE DESIGN, BIDDING, CONTRACT AWARD, CONSTRUCTION AND RECORDKEEPING FOR INITIAL IMPROVEMENTS attached hereto as Exhibit D.

5.8 *Prevailing Wage.* Work performed for the construction of the Neighborhood Park is subject to State prevailing wage laws (California Labor Code sections 1720 through 1861), and Developer shall ensure compliance with all applicable prevailing wage laws and requirements.

5.9 *Project Completion.* Developer agrees that all work on the Neighborhood Park under this Agreement will be complete and ready for operational use according to the following Project Schedule, unless mutually extended by written agreement by the Parties:

- (1) Plans will be prepared and approved, in accordance with the Agreement, for the Neighborhood Park before the first building permit is issued in Unit 5B (before the 381st building permit in Weston).

- (2) The Neighborhood Park will be complete and ready for operational use before final inspection of and issuance of occupancy permit for the last home in Unit 5B in Weston, but no later than five (5) years from the Effective Date of this Agreement.

6. Conditions for Santee Acceptance of the Neighborhood Park.

6.1 Prior to acceptance of the dedication of the Park Property and the Neighborhood Park by Santee, unless other timing is hereby indicated in this Agreement, Developer shall complete the following:

6.1.1 Placement of all new on-site utilities underground to the satisfaction of the Santee City Engineer;

6.1.2 Construction of all improvements as shown on the approved final grading, building and landscaping plans to the satisfaction of the Santee City Engineer;

6.1.3 Compliance with applicable sections of the Santee Municipal Code and Public Works Standards;

6.1.4 Submission of the final inspection request form provided by the Building Division for the Neighborhood Park signed by the San Diego Fire Department, Building and Engineering Divisions of the Department of Development Services and the Public Services Division of the Department of Community Services; and

6.1.5 Maintenance of all landscaping and irrigation in accordance with San Diego and Santee standards and approved plans for a minimum four (4) month period ("Maintenance Period").

6.1.5.1 Developer shall maintain and be responsible for the Neighborhood Park, including without limitation erosion control measures and storm water requirements, until acceptance of the Neighborhood Park by Santee pursuant to Section 7.3.

6.1.5.2 The Maintenance Period shall begin on the first day after all landscape and irrigation work on the Neighborhood Park is complete, checked, approved by Santee, and Santee has given written approval to begin the Maintenance Period, and shall continue until four (4) months after the date of completion of the improvements and acceptance of the improvements by Santee. Notwithstanding, Developer will continue to maintain the Neighborhood Park until compliance with Section 6.3 has been obtained.

6.2 Prior to acceptance of the Neighborhood Park by Santee, Developer shall warranty that the Park Property is free and clear of all liens and encumbrances of any kind.

6.3 Upon completion of the improvements and acceptance of the improvements by Santee, completion of the four (4) month Maintenance Period, and acceptance of a Change of Information ("COI") by the Regional Water Quality Control Board terminating coverage of the General Permit for the Neighborhood Park without any obligation on the part of Santee to obtain coverage under the General Permit for the Park Property, , Santee hereby agrees to release the

Performance Bond and accept the dedication in fee simple of the Neighborhood Park, including the ongoing maintenance of the Neighborhood Park by Santee, provided, however, that Developer shall be solely responsible for warranty and repair of the Neighborhood Park for a period of one (1) year following acceptance by Santee.

6.3.1 The Neighborhood Park shall not be opened for use by the general public until acceptance of the Neighborhood Park by Santee pursuant to Section 6.3.

6.3.2 Notwithstanding anything herein to the contrary, Santee reserves the right to take over and open the Neighborhood Park or any portion of the Neighborhood Park for use by the general public in accordance with Section 6-10 of the Standard Specifications for Public Works Construction, 2015 Edition.

7. Indemnification. Developer hereby agrees to and shall indemnify, defend (with counsel reasonably approved by the Santee) and hold Santee and its elected and appointed representatives, officers, agents, and employees harmless from and against any and all liabilities of Santee (including, without limitation all claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, damages, penalties, fines, judgments, expenses or costs of any kind, whether actual, alleged or threatened, interest, and defense costs, including but not limited to reasonable attorneys' fees, court costs and costs of alternative dispute resolution, and expert witness fees) arising from bodily injury (including death) or property damage, arising out of or resulting from any act or omission to act of the Developer, Developer's agents, officers, employees, subconsultants, or independent consultants hired by Developer, or any third parties, which arise from the ownership, development or construction of the Neighborhood Park, except to the extent caused by the negligence or willful misconduct of Santee, its officers, agents, employees or contractors. This provision shall not be limited by the provisions relating to insurance. This provision shall terminate concurrently with the termination of the warranty and repair period set forth in paragraph 6.3 above. However, notwithstanding termination of this provision, a Party may bring a claim against the other Party for comparative equitable indemnity or other applicable legal or equitable claims, and nothing herein amends or replaces any other indemnity provisions that may exist between the Parties.

8. Records and Audits.

8.1 *Retention of Records.* Developer, consultants, contractors, and subcontractors shall maintain data and records related to this Neighborhood Park and Agreement for a period of not less than four (4) years following the Effective Date of this Agreement.

8.2 *Audit of Records.* At any time during normal business hours and not more than once a month, Developer and all contractors or subcontractors shall make available to Santee for examination at reasonable locations within the City of Santee all of the data and records with respect to all matters covered by this Agreement. Developer and all contractors or subcontractors shall permit Santee to make audits of all invoices, materials, payrolls, records of personnel, and other data and media relating to all matters covered by this Agreement. If records are not made available within the City of Santee, then Developer shall pay all Santee's travel-related costs to audit the records associated with this Agreement at the location where the records are maintained.

9. Insurance. Developer shall obtain and, during the Term of this Agreement, maintain, commercially reasonable property, liability, worker's compensation and other applicable insurance, with Santee named as an additional insured or loss payee, as applicable. Prior to commencement of any construction of the Neighborhood Park, Developer shall provide Santee with evidence, to Santee's satisfaction, of such insurance. In addition, Developer shall require that all of its contractors, agents, renters, vendors or subcontractors maintain such commercially reasonable insurance.

10. Park in Lieu Fee Credit. In exchange and as consideration for the above and in recognition of the value of the dedication of the Park Property to Santee, Santee hereby grants and approves a Park In Lieu Fee Credit ("Park In Lieu Fee Credit") in favor of Developer, pursuant to and consistent with Exhibit H of the Annexation Agreement. This Park Fee Credit, which totals \$2,873,764.83, will offset a portion of the park fees required for the approved development of the Project. The Park Fee Credit hereunder shall become effective and available for use at such time as this Agreement is recorded to evidence the irrevocable offer in favor of Santee. As the Park in Lieu Fee Credit is less than the Total Park in Lieu Fee Payment (\$3,075,580.00), Developer shall pay to Santee the difference between the Total Park in Lieu Fee Payment and the Park in Lieu Fee Credit in the amount of \$201,815.17. This amount shall be paid to Santee on a per unit basis at the issuance of the applicable building permit. The estimated Park In Lieu Fee for single family units will be \$501.44 (\$136,892.16 difference divided by 273 single family units) and for multifamily units will be \$457.14 (\$64,910.70 difference divided by 142 multifamily units). The fees shall be subject to annual adjustment by the Consumer Price Index as published by the Bureau of Labor Statistics for San Diego CPI-U All Urban Consumers. The parties shall, prior to the issuance of the last building permit for the Project, "true up" the final Park in Lieu Payment for the last permit based on the actual number of units constructed by Developer at the Project.

11. Status of Developer. The Parties intend that Developer, in performing the work hereinafter specified, shall act as an independent contractor and shall have the control of the work and the manner in which it is performed. Developer is not to be considered an agent or employee of Santee and is not entitled to participate in any pension plan, insurance, bonus, or similar benefits Santee provides its employees.

12. Compliance with Laws; Waiver. Developer shall perform, or assure performance of, all the work described herein in compliance with all applicable federal, state and local laws, rules, regulations, and ordinances.

13. Mediation.

13.1 *Mandatory Mediation*. If dispute arises out of, or relates to this Agreement, or the breach thereof, and if said dispute cannot be settled through normal contract negotiations, prior to the initiation of any litigation, the Parties agree to attempt to settle the dispute in an amicable manner, using mandatory mediation under the Construction Industry Mediation Rules of the or any other neutral organization agreed upon before having recourse in a court of law.

13.2 *Mandatory Mediation Costs*. The expenses of witnesses for either side shall be paid by the Party producing such witnesses. All other expenses of the mediation, including

required traveling and other expenses of the mediator (“Mediator”), and the cost of any proofs or expert advice produced at the direct request of the Mediator, shall be borne equally by the Parties, unless they agree otherwise.

13.3 *Selection of Mediator.* A single Mediator that is acceptable to both Parties shall be used to mediate the dispute. The Mediator will be knowledgeable in construction aspects and may be selected from lists furnished by the AAA or any other agreed upon Mediator. To initiate mediation, the initiating Party shall serve a Request for Mediation on the opposing Party. If the Mediator is selected from a list provided by AAA, the initiating Party shall concurrently file with AAA a “Request for Mediation” along with the appropriate fees, a list of three requested Mediators marked in preference order, and a preference for available dates.

13.3.1 If AAA is selected to coordinate the mediation (“Administrator”), within fourteen (14) calendar days from the receipt of the initiating Party’s Request for Mediation, the opposing Party shall file the following: a list of preferred Mediators listed in preference order after striking any Mediators to which they have any factual objection, and a preference for available dates. If the opposing Party strikes all of initiating Party’s preferred Mediators, opposing Party shall submit a list of three preferred Mediators listed in preference order to initiating Party and Administrator. Initiating Party shall file a list of preferred Mediators listed in preference order, after striking any Mediator to which they have any factual objection. This process shall continue until both sides have agreed upon a Mediator.

13.3.2 The Administrator will appoint or the Parties shall agree upon the highest, mutually preferred Mediator from the individual Parties’ lists who is available to serve within the designated time frame.

13.3.3 If the Parties agree not to use AAA, then a Mediator, date and place for the mediation shall be mutually agreed upon.

14. Defaults And Remedies.

14.1 *Remedies in General.* Each of the Parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement (including, but not limited to, obtaining letters of credit, performance bonds, and/or withholding certain approvals).

14.2 *Specific Performance.* The Parties acknowledge that money damages and remedies at law generally are inadequate, and specific performance and other non-monetary relief are particularly appropriate remedies for the enforcement of this Agreement and should be available to all Parties.

14.3 *Attorneys’ Fees and Costs.* In the event of litigation, the prevailing Party shall be awarded attorneys’ fees and costs from the non-prevailing Party.

14.4 *Events of Default.* A default under this Agreement shall be deemed to have occurred upon the happening of one or more of the following events or conditions:

14.4.1 A representation made in this Agreement by Developer to Santee or Santee to Developer is false or proves to have been false in any material respect when it was made.

14.4.2 A finding and determination by either Party that the defaulting Party has not complied with one or more of the material terms or conditions of this Agreement.

14.4.3 Any other act or omission by Santee or Developer that materially interferes with the other Party's rights under this Agreement.

14.5 *Procedure upon Default.* Upon the occurrence of default by the other Party, Santee or Developer shall provide the other Party sixty (60) calendar days' written notice specifying the nature of the alleged default and, when appropriate, the manner in which said default may be satisfactorily cured. After proper notice to the defaulting Party of the occurrence of default and the expiration of said sixty (60) day cure period without cure, the non-defaulting Party may, in its sole and absolute discretion, terminate this Agreement rather than seek specific performance as provided in this Section. In the event that Santee's or Developer's default is not subject to cure within the sixty (60) day cure period but is subject to cure within a longer period of time, Santee or Developer shall be deemed not to remain in default in the event that Santee or Developer commences to cure within such sixty (60) day cure period and diligently prosecutes such cure to completion. Failure or delay in giving notice of any default shall not constitute a waiver of any default, nor shall it change the time of default. Notwithstanding any other provision of this Agreement, the Parties reserve the right to formulate and propose to the other party options for curing any defaults under this Agreement for which a cure is not specified in this Agreement.

15. General Provisions.

15.1 *Notice.* Unless otherwise permitted by this Agreement, all notices to be given shall be in writing and may be made by personal delivery, certified mail, postage prepaid and return receipt requested. Mailed notices shall be addressed to the Parties at the addresses listed below, but each Party may change the address by written notice in accordance with this paragraph. Receipt will be deemed made as follows: notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated on receipt or rejection.

To Developer:

Pardee Homes, Inc.
Attn: Allen Kashani
13400 Sabre Springs Parkway, Suite 200
San Diego, California 92128
Email: Allen.Kashani@pardeehomes.com

With a Copy To:

Sheppard, Mullin, Richter & Hampton LLP
Attn: John E. Ponder, Esq.
501 W. Broadway, 19th Floor
San Diego, California 92101
Email: jponder@sheppardmullin.com

To Santee: City of Santee
Attn: Bill Maertz
10601 Magnolia Avenue
Santee, California 92071
Email: BMaertz@CityofSanteeCa.gov

With a Copy To: Best, Best & Krieger, LLP
Attn: Shawn D. Hagerty, Esq.
655 W. Broadway, 15th Floor
San Diego, California 92101
Email: Shawn.Hagerty@bbklaw.com

15.2 *Integration.* This Agreement contains all agreements of the Parties with respect to as to the matters contemplated herein. No prior agreement or understanding pertaining to any such matters shall be effective. This Agreement may be modified in writing only, signed by the Parties. Nothing contained in this Agreement is intended to affect or impair the rights and obligations of the Parties set forth in other agreements between the Parties including, but not limited to, the Annexation Agreement and the letter dated July 3, 2013 from Jimmy Ayala, Director of Community Development, Pardee Homes, Inc. to Santee City Manager Keith Till, confirming Developer's commitment to park and recreational amenities.

15.3 *Jurisdiction, Venue, Choice of Law, and Attorney Fees.* The venue for any suit or proceeding concerning this Agreement, including the interpretation or application of any of its terms or any related disputes, shall be in the County of San Diego, State of California. This Agreement is entered into and shall be construed and interpreted in accordance with the laws of the State of California.

15.4 *Recordation.* Following execution of this Agreement, Santee will record this Agreement or notice thereof in the Office of the San Diego County Recorder.

15.5 *Binding on Successors.* This Agreement is binding on the heirs, successors and assigns of the Parties. Once recorded, this Agreement and the covenants and conditions herein, shall run with the Park Property for the express benefit of Santee. The Parties hereto hereby acknowledge that the execution and recording of this Agreement, to set forth and document the obligations herein contained, was an express condition precedent to the approval of the Project by Santee.

15.6 *Counterparts.* This Agreement may be signed by the Parties in different counterparts and the signature pages combined shall create a document binding on all Parties.

15.7 *Headings.* Any headings or captions used herein are inserted only as a matter of convenience and for reference only and in no way define, limit or describe the scope of this Agreement nor the intent of any of the provisions hereof.

15.8 *Gender & Number.* Whenever the context requires, the use herein of (i) the neuter gender includes the masculine and the feminine genders, and (ii) the singular number includes the plural number.

15.9 *Reference to Paragraphs.* Each reference in this Agreement to a Section refers, unless otherwise stated, to a Section of this Agreement.

15.10 *Incorporation of Recitals.* All Recitals herein are true and correct to the Parties' best knowledge and belief, and are fully incorporated into this Agreement by reference and are made a part hereof.

15.11 *Covenants and Conditions.* All provisions of this Agreement expressed as either covenants or conditions on the part of Santee or Developer shall be deemed to be both covenants and conditions.

15.12 *Waiver.* A waiver by one Party of the performance of any covenant, condition or promise of the other party shall not invalidate this Agreement, nor shall it be considered to be a waiver by such party of any other covenant, condition or promise contained herein. The waiver of either or both parties of the time for performing any act shall not be construed as a waiver of any other act required to be performed at a later date.

15.13 *Authority; Signatures Required for Corporations.* Developer hereby represents and warrants to Santee that all entities comprising Developer are (a) duly organized and validly existing, and in good standing under the laws of the state of formation, (b) have the power and authority and the legal right to conduct the business in which it is currently engaged within the State of California, and (c) have all requisite power and authority and the legal right to consummate the transactions contemplated in this Agreement. Developer hereby further represents and warrants that this Agreement has been duly authorized, and when executed by the signatory or signatories listed below, shall constitute a valid agreement binding on all parties comprising Developer in accordance with the terms hereof. If this Agreement is entered into by a corporation, whether directly or as a member, manager or partner of Developer, it shall be signed by two corporate officers, one from each of the following two groups: a) the chairman of the board, president or any vice-president; b) the secretary, any assistant secretary, chief financial officer, or any assistant treasurer. The title of the corporate officer shall be listed under the signature.

15.14 *Severability.* The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render any other provision of this Agreement unenforceable, invalid, or illegal.

15.15 *Drafting Ambiguities.* The Parties acknowledge they each have been fully advised by their own counsel with respect to the negotiations, terms, and conditions of this Agreement. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement.

15.16 *Conflicts Between Terms.* If an apparent conflict or inconsistency exists between the main body of this Agreement and the Exhibits, the main body of this Agreement shall control. If a conflict exists between an applicable federal, state, or local law, rule, regulation, order, or code and this Agreement, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this Agreement, the exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement

shall control. Each Party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.

15.17 *Prompt Performance.* Time is of the essence of each covenant and condition set forth in this Agreement.

15.18 *Good Faith Performance.* The Parties shall cooperate with each other in good faith, and assist each other in the performance of the provisions of this Agreement.

15.19 *Further Assurances.* Santee and Developer each agree to execute and deliver such additional documents as may be required to effectuate the purposes of this Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the City of Santee has executed this Agreement, acting by and through its City Manager and by Developer.

CITY OF SANTEE,
a municipal corporation

PARDEE HOMES, INC.,
a California corporation

By: _____

By: _____

Title _____

Title _____

Date: _____

Date: _____

APPROVED AS TO FORM:

By _____
Shawn Hagerty, City Attorney for
City of Santee

Dated: _____

By: _____
John Ponder, Attorney for
Pardee Homes, Inc.

Dated: _____

WESTON

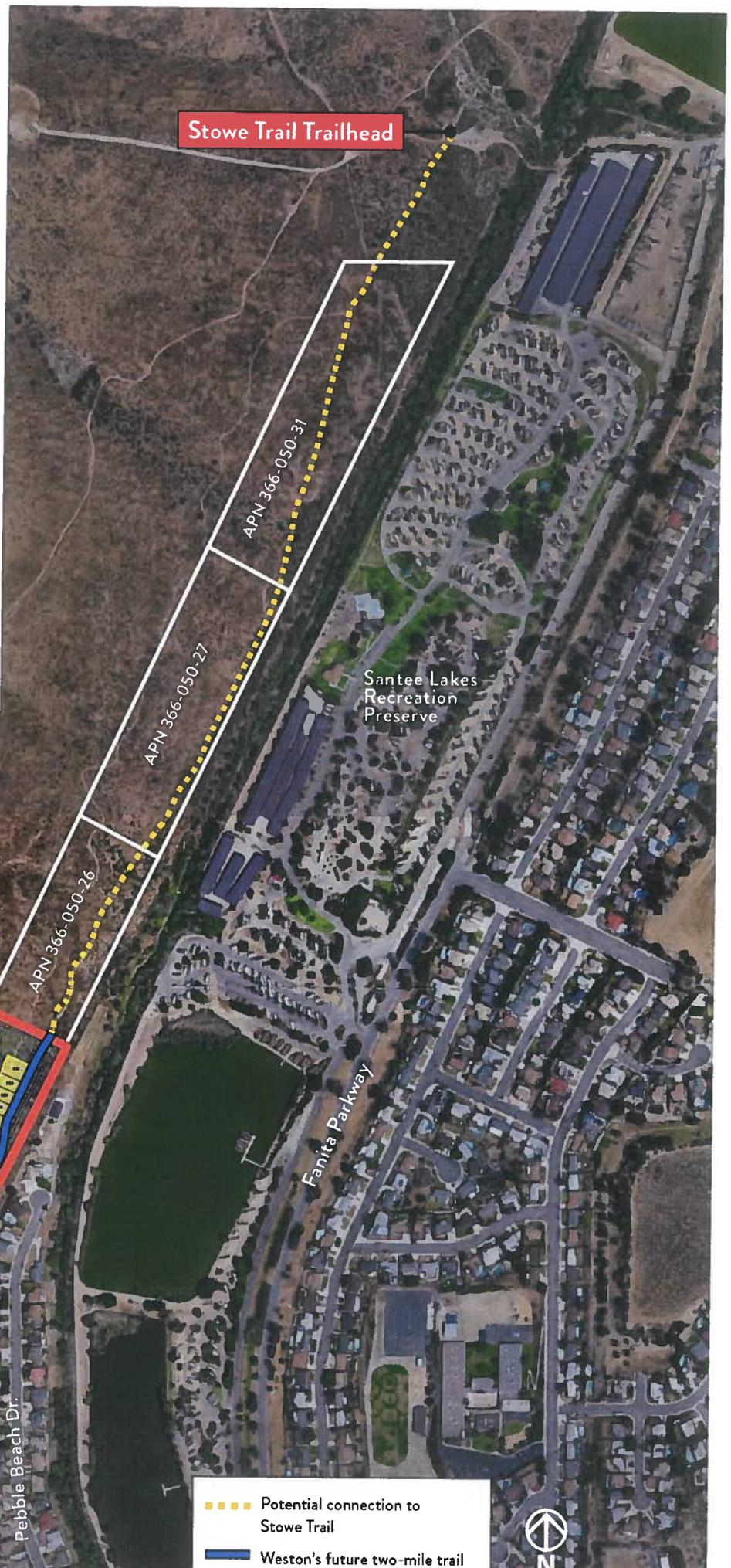
formerly Castlerock

Potential Stowe Trail Connectivity

Weston's future two-mile trail ends at the community's northern property line. There are currently three private property owners located between the Stowe Trail Trailhead and Weston community. Local residents and organizations are working to obtain trail rights across these properties so that Weston's future two-mile trail can connect to the Stowe Trail. The trail will also connect to Weston's four-acre public park, located in the northern part of the community.

About Pardee Homes' Weston Community

Located near Santee Lakes in the western portion of the City of Santee, Pardee Homes' Weston community is a 204-acre property that has been designed to be respectful of the natural environment and emphasize open space, energy efficiency, habitat preservation and trail access. The Weston community will consist of approximately 415 single-family homes, ranging from 1,790 to 3,743 square feet.



City of Santee
COUNCIL AGENDA STATEMENT

6B

MEETING DATE August 23, 2017

AGENDA ITEM NO.

ITEM TITLE REQUEST FOR AUTHORIZATION TO CONSIDER AN APPLICATION FOR AN AMENDMENT TO THE GENERAL PLAN TO CHANGE THE LAND USE DESIGNATION FROM "LOW-DENSITY ALTERNATIVE RESIDENTIAL (R1-A)" AND "HILLSIDE/LIMITED RESIDENTIAL (HL)" TO "MEDIUM-HIGH DENSITY RESIDENTIAL (R-14)" AND TO CHANGE THE ZONE CLASSIFICATION FROM "LOW-DENSITY ALTERNATIVE RESIDENTIAL (R1-A)" AND "HILLSIDE/LIMITED RESIDENTIAL (HL)" TO "MEDIUM-HIGH DENSITY RESIDENTIAL (R14)" OF AN UNDEVELOPED, 2.8-ACRE PARCEL ON SUNSET TRAIL (APN: 384-142-04) (APPLICANT: M. GRANT REAL ESTATE INC.)

DIRECTOR/DEPARTMENT Melanie Kush, Development Services *MK*

SUMMARY During the 2003 General Plan Update process, the City Council chose not to automatically process changes to land uses, but rather have requests first go to the Council as discussion items for preliminary review of proposed amendments.

Staff is requesting City Council authorization to proceed with an application to evaluate a request submitted by M. Grant Real Estate Inc. for an amendment to the General Plan Land Use designation and Zone Base District Map for an undeveloped, 2.8-acre site on Sunset Trail (APN: 384-142-04) immediately west of the existing Ridge at Lantern Crest Senior Living facility (Exhibit A). The applicant's request would change this parcel's General Plan Land Use Designation and Zone classification from "Low-Density Alternative Residential (R1-A)" and "Hillside/Limited Residential (HL)" to "Medium-High Density Residential (R-14)" (Exhibits C and D).

The requested changes would support a proposed 46-unit senior care facility (Exhibit E). The congregate care facility is a residential development that is designed for independent living for the elderly which requires a Conditional Use Permit (CUP) in the R-14 zone.

A decision by the Council to authorize staff to consider an application for a general plan and zone amendment does not indicate eventual approval of the requested amendment. The formal application for the General Plan Amendment and Zone Base District Map change would be accompanied by project specific applications for a Conditional Use permit and Development Review permit. These applications would be presented to City Council at a future public hearing.

FINANCIAL STATEMENT *m* The cost to process the General Plan Amendment and a change to the Zone Base District Map would be covered by the applicant.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MKB* Provide direction as to whether staff should proceed with processing an application requesting a General Plan Amendment and a change to the Zone Base District Map, as requested by the applicant.

ATTACHMENTS

- Staff Report
- Exhibit A: Aerial View
- Exhibit B: Vicinity Map
- Exhibit C: Existing Land Use Designation and Zone
- Exhibit D: Proposed Land Use Designation and Zone
- Exhibit E: Conceptual Plans

STAFF REPORT

REQUEST FOR AUTHORIZATION TO CONSIDER AN APPLICATION FOR AN AMENDMENT TO THE GENERAL PLAN TO CHANGE THE LAND USE DESIGNATION FROM “LOW-DENSITY ALTERNATIVE RESIDENTIAL (R1-A)” AND “HILLSIDE/LIMITED RESIDENTIAL (HL)” TO “MEDIUM-HIGH DENSITY RESIDENTIAL (R-14)” AND TO CHANGE THE ZONE CLASSIFICATION FROM “LOW-DENSITY ALTERNATIVE RESIDENTIAL (R1-A)” AND “HILLSIDE/LIMITED RESIDENTIAL (HL)” TO “MEDIUM-HIGH DENSITY RESIDENTIAL (R-14)” OF AN UNDEVELOPED, 2.8-ACRE PARCEL ON SUNSET TRAIL (APN: 384-142-04) (APPLICANT: M. GRANT REAL ESTATE INC.)

A. BACKGROUND

On July 14, 2017, M. Grant Real Estate Incorporated submitted a request to the City for consideration of a request for a Zoning Amendment on a 2.8-acre property located on the north side of Sunset Trail, immediately west of the Ridge at Lantern Crest Senior Living facility (Figure 1). The subject property is designated Low-Density Alternative Residential (R1-A) and Hillside/Limited Residential (HL) in the General Plan and on the Zoning District Base Map. The applicant requests that the City Council allow the submittal of a General Plan Amendment and Rezone application to consider establishing the Medium-High Density Residential (R-14) designation/zone classification for the parcel.

A single family home is located to the north, the Ridge at Lantern Crest Senior Living and a vacant parcel are located to the east, the Pointe at Lantern Crest and the Villas at Lantern Crest (under construction) are located to the south across Sunset Trail, and single family homes and the Highline Apartments are located to the west.

Figure 1



B. PROPOSAL

The applicant is proposing to change the land use designation and zoning on the property from Low-Density Alternative Residential (R1-A) and Hillside/Limited Residential to Medium-High Density Residential (R-14) to allow a 46-unit senior congregate care facility (known as Lantern Crest Ridge II) which would serve as an extension to the Ridge at Lantern Crest. The congregate care facility is a residential development that is designed for independent living for the elderly which requires a Conditional Use Permit (CUP) in the R-14 zone. The proposed density is 16.42 dwelling units per acre which would be consistent with the requested R-14 Land Use and Zoning, which allows a range of 14 to 22 dwelling units per acre.

This request is similar to earlier requests for General Plan land use designation changes and zone base district map changes that were granted in the development of the existing Lantern Crest facility. In two separate actions, the City Council adopted changes to the General Plan land use designation and Zone Base District Map from the same two low-density zones (R-1A and HL) to High Density Residential (R-22) for other sites on the Lantern Crest facility.

As shown on the attached plans, the proposal consists of two duplex villas and a surface parking area on the south side (front) of the property and the main congregate care facility on the north side (rear) of the property. The site slopes upward and diagonally across the lot from the southwest corner to the northeast corner. Grading in the amount of 1,500 cubic yards of cut and 1,500 cubic yards of fill is proposed for the development of the site.

Access to the project is provided from Sunset Trail, which is a private street. Internal vehicle circulation is provided by a proposed 26-foot wide drive located between the villas and the parking area with a vehicle turnaround at the entrance of the facility. A 12-foot wide driveway is provided along the west side of the facility that leads to parking located at the rear.

C. ISSUES

At a minimum, the following issues would be analyzed as part of the formal application review process for a proposed amendment to the Zoning Base District Map:

Airport Land Use Compatibility: Any future development proposal must be cleared by the Federal Aviation Administration ("FAA") for safety of air navigation. As in the other portions of Lantern Crest, this site is located within Safety Zone 4 of the Gillespie Field Airport Land Use Compatibility Plan ("ALUCP"). The proposal would have to be reviewed by the San Diego County Regional Airport Authority for compatibility with the ALUCP.

Development Standards: Any future application would provide building elevations, floor plans, landscape plans, and other site design information to facilitate staff review of the project.

Traffic/Circulation/Parking: The application would provide information about traffic and pedestrian circulation, ingress, egress and safety to facilitate staff review of the compatibility related to surrounding development. Because the existing conditions would preclude expansion of the right of way, Sunset Trail is anticipated to remain a private street. A parking demand study would be required to determine required parking. The number of anticipated trips generated by a congregate care facility would not necessarily trigger the need for traffic study.

Housing Element Consistency: The objectives and policies contained in the Housing Element address Santee's housing needs and are implemented through a series of housing programs offered by the City. Application review should consider the nature of the proposal to accomplish Housing Element direction related to: 1) providing adequate sites to achieve a variety of housing types and densities, and 2) assisting in the development of affordable housing opportunities.

Sustainability: With a formal application, the applicant will be asked to evaluate / incorporate a variety of sustainability features for the project to include rooftop solar, electric vehicle (EV) charging stations, and rain capture systems.

Environmental Considerations: Upon proceeding with a formal submittal for a General Plan amendment and Zone Base Map change, the proposed changes would be subject to an environmental analysis conducted in accordance with the California Environmental Quality Act. Environmental documents for any future development on this site would need to fully address any sensitive biology that may be present. The site is identified in the draft Multiple-Species Conservation Plan subarea plan as an area to be 60% preserved. This would have to be evaluated during review of any project. The environmental document would also have to evaluate the effects on traffic, archaeological resources, geology, air quality, storm water, hydrology, and other areas of study typically required. Under the new storm water permit, two feasibility studies would be necessary with a formal application: 1) soil infiltration and 2) rain capture for reuse.

D. STAFF RECOMMENDATION

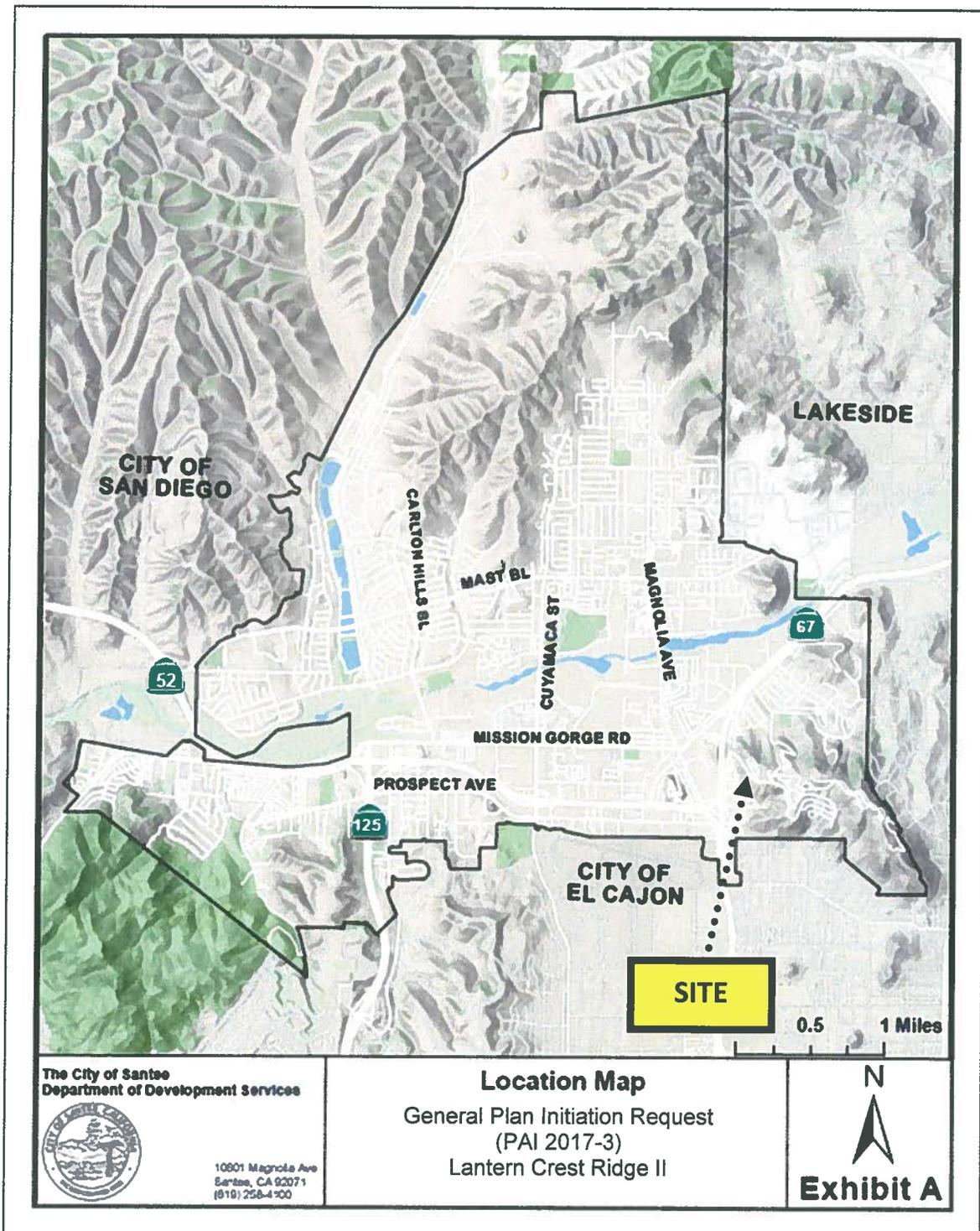
Provide direction as to whether staff should proceed with processing an application requesting a General Plan Amendment and a change to the Zone Base District Map, as requested by the applicant.

Aerial View

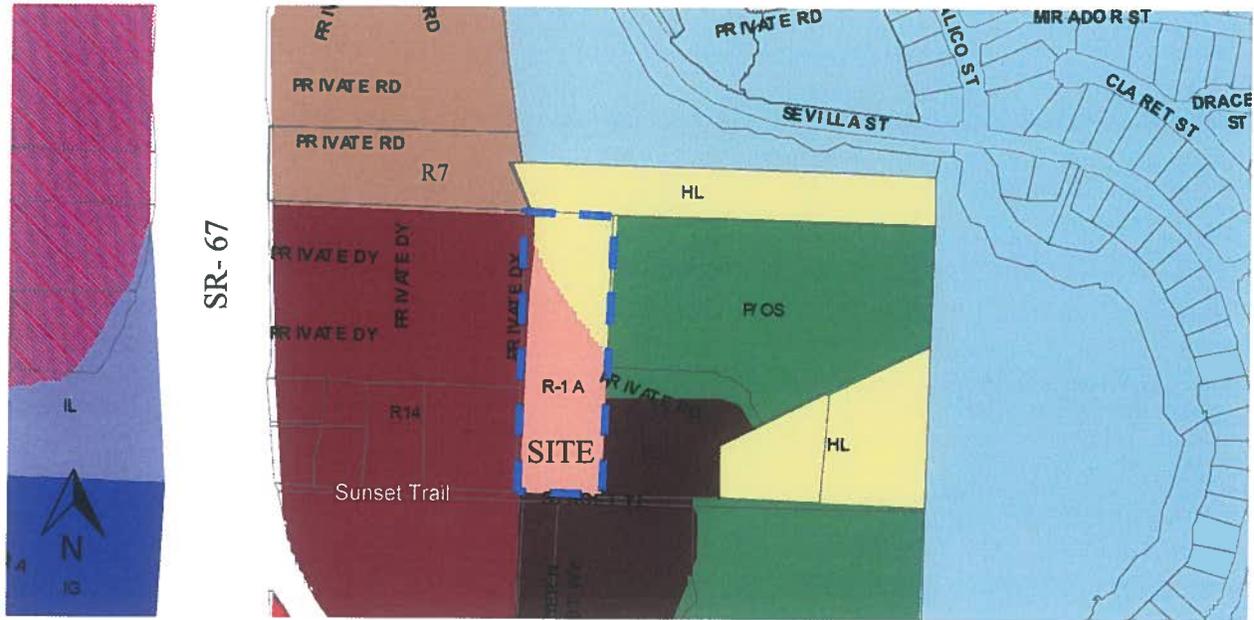


General Plan Initiation Request (PAI2017-3)
Lantern Crest Ridge II
Sunset Trail (APN 384-142-04)

Citywide Location Map

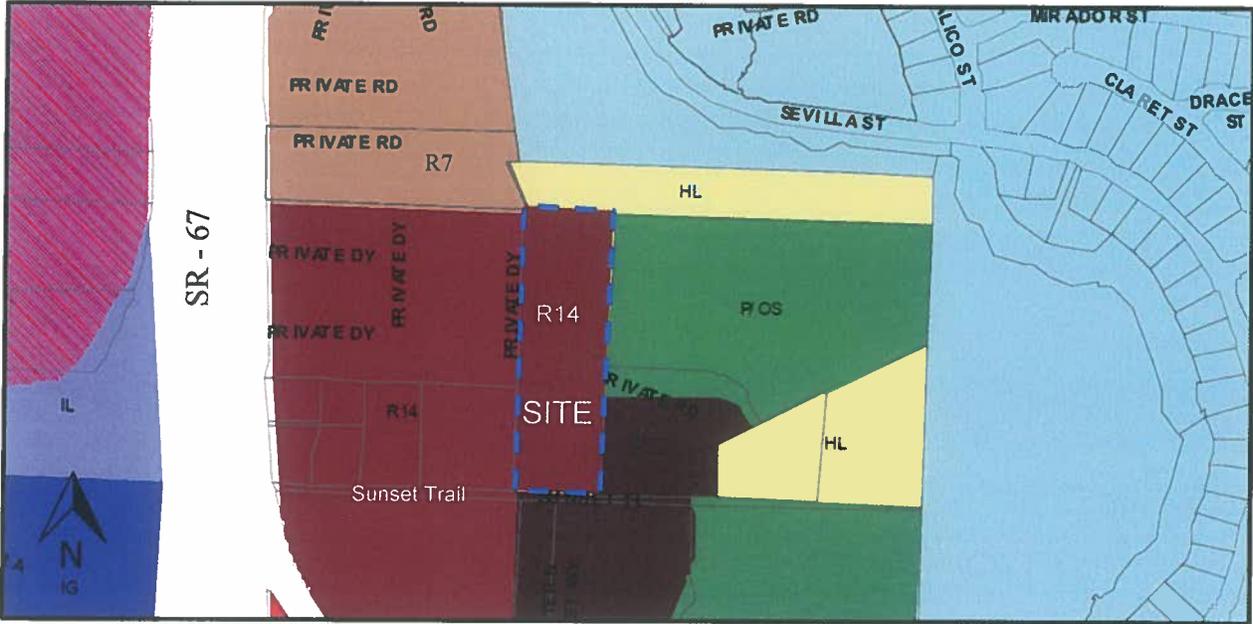


Existing General Plan Land Use Designation and Zone District



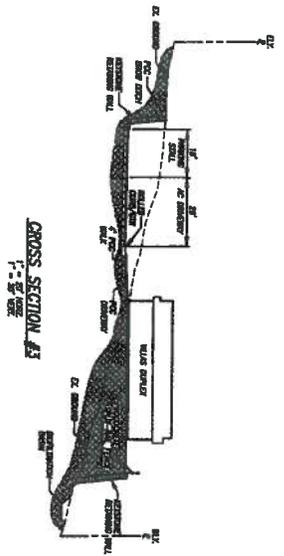
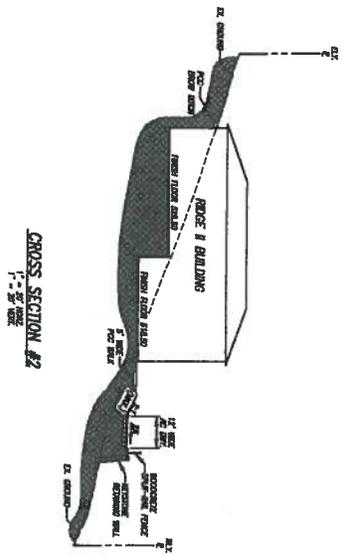
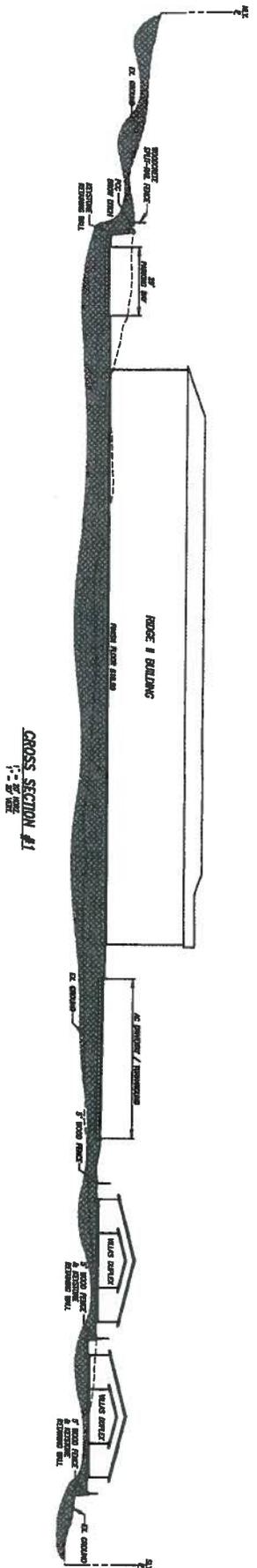
	ZONE DISTRICT
<p>R-1 A Low-Density Alternative Residential (Two to Four Dwelling Units/Gross Acre)</p>	<p>This designation is intended for residential development characterized by single-family homes on one-quarter acre lots or larger which provides a transitional option between the R-2 (six thousand square foot lot) and the larger R-1 (twenty thousand square foot lot) zones. Allowable density in the R-1 A zone is two to four dwelling units per gross acre.</p>
<p>HL Hillside/Limited Residential (Zero to One Dwelling Unit/Gross Acre)</p>	<p>This designation is intended for residential development in areas that exhibit steep slopes, rugged topography and limited access. Residential uses are characterized by rural large estate lots with significant permanent open space area, consistent with the constraints of slope gradient, soil, and geotechnical hazards, access, availability of public services and other environmental concerns. Allowable density in this zone is zero to one dwelling units per gross acre.</p>

Proposed General Plan Land Use and Zone District



GENERAL PLAN LAND USE DESIGNATION	
<p>R-14 Medium- High Density Residential (Fourteen to Twenty-Two Dwelling Units/Gross Acre)</p>	<p>This designation is intended for residential development characterized at the lower end of the density range by multiple family attached units at the upper end of the density range by apartment and condominium buildings. It is intended that this category utilize innovative site planning, provide on-site recreational amenities and be located in closed proximity to major community facilities, business centers and streets of at least major capacity. This designation has been located along Mission Gorge Road, Magnolia Avenue, Woodside Avenue and Graves Avenue.</p>

PROJECT CROSS SECTIONS LANTERN CREST RIDGE II



Planning • Site • Surveying • Mapping
POIARRIS
Development Consultants, Inc.
301 American Lane, Suite 100 • Orange, CA 92668-4444

ENGINEER OF WORK
VOLANTE ENGINEERING CONSULTANTS, INC.
2000 S. GARDEN ST. SUITE 200-17
ORANGE, CA 92661
(714) 944-3822



CITY OF SANTEE
PROJECT CROSS SECTIONS
LANTERN CREST RIDGE II

SLOPE ANALYSIS MAP - EXISTING CONDITION LANTERN CREST RIDGE ADDITION



LEGEND

BOUNDARIES

- EXISTING RIGHT OF WAY
- EXISTING LOT LINE
- EXISTING STREET CENTER LINE
- EXISTING CORNER
- EXISTING BOUNDARY
- EXISTING EASEMENT

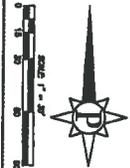
SLOPES

- SLOPES 10% TO 20%
- SLOPES 20% TO 30%
- SLOPES 30% AND GREATER

AVERAGE SLOPE CALCULATION

$S = 0.01 / 10\%$
 $S = 0.02 / 20\%$
 $S = 0.03 / 30\%$
 $S = 0.04 / 40\%$
 $S = 0.05 / 50\%$
 $S = 0.06 / 60\%$
 $S = 0.07 / 70\%$
 $S = 0.08 / 80\%$
 $S = 0.09 / 90\%$
 $S = 0.10 / 100\%$

Planning & Engineering & Mapping
POLEFARIS
 Development Consultants, Inc.
 3000 West 10th Street, Suite 100
 Anchorage, Alaska 99515



ENGINEER OF WORK
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 3/25/17
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CITY OF SANTIAGO

**SLOPE ANALYSIS MAP - EXISTING
 LANTERN CREST RIDGE ADDITION**

City of Santee
COUNCIL AGENDA STATEMENT

6C

MEETING DATE August 23, 2017

AGENDA ITEM NO.

ITEM TITLE INFORMATIONAL REPORT ON COMPLIANCE WITH THE TRASH ORDER ISSUED BY THE STATE WATER RESOURCES CONTROL BOARD

DIRECTOR/DEPARTMENT Bill Maertz, Director of Community Services *WJM*
Melanie Kush, Director of Development Services

SUMMARY This is an informational item on the City's plans to comply with the State's Trash Order. This new regulation prohibits all trash 5 millimeters or larger from entering our waterways via the storm drain system. Trash must be controlled through the implementation of one of two compliance tracks, as defined by the Trash Order. Track 1 requires that structural controls be installed within existing storm drain systems or at the outfall (terminus) of the pipe at the river. Track 2 involves the implementation of a variety of trash reduction programs. Full compliance must be achieved within a 10-year timeframe. Refer to the staff report for more information.

Each jurisdiction must submit their compliance track selection in writing to the State Water Board by September 5, 2017. Based upon review and analysis of the two compliance track options, staff has selected compliance Track 1. In the long run, Track 1 will be most cost effective and pose the least amount of compliance liability. Furthermore, Track 1 implementation will result in the most efficient use of the City's resources. Under Track 1, the City will be required to install certified structural devices in storm drains and/or at storm drain outfalls that convey runoff from priority land use areas (as defined by the Trash Order). Track 1 relieves the City of long term monitoring requirements and the obligation to demonstrate that other programmatic efforts are equally or more effective than structural controls.

ENVIRONMENTAL STATUS Activities associated with compliance with the Trash Order are exempt from the provisions of the California Environmental Quality Act (CEQA) because the Order is an action by a regulatory agency as authorized by state law, local ordinance or resolution for the protection of natural resources under State CEQA Guidelines section 15307 and the environment under State CEQA Guidelines section 15308.

FINANCIAL STATEMENT *jm* Annual funding has been identified and appropriated in the adopted Five-year Capital Improvement Program for Fiscal Year (FY) 2017-18 through FY 2021-2022) to meet this new regulation.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION
Note and file the report. *MBB*

ATTACHMENTS Staff report Trash Order Exhibit/Trash Capture Devices

STAFF REPORT

CITY COUNCIL MEETING

August 23, 2017

INFORMATIONAL REPORT ON COMPLIANCE WITH THE TRASH ORDER ISSUED BY THE STATE WATER RESOURCES CONTROL BOARD

A. BACKGROUND

The City of Santee is regulated by the State's Regional Water Quality Control Board, San Diego Region, for urban runoff discharges from the storm drain system. Owners and operators of storm drain systems that discharge runoff to a waterway are regulated under a discharge Permit. This Permit requires all permittees to establish and maintain a storm water program that meets water quality objectives. The City has a storm water program that implements a variety of programs that help to keep Santee's waterways clean, and to comply with water quality regulations.

Water quality regulations continue to evolve with time as more is learned about the quality and health of the water and the habitats supported by our waterways. Most recently, regulations have been modified to address trash, a highly prevalent pollutant in all of the State's waterways. On June 2, 2017, the San Diego Regional Water Board issued an Investigative Order ("Trash Order") to all jurisdictions within San Diego County, and the southern portions of Orange and Riverside Counties. Separate Trash Orders were issued to each jurisdiction throughout the State of California via the respective Regional Water Board offices.

The Trash Order implements specific statewide requirements to address the impacts of trash discharges to surface waters of California. These new requirements were adopted in 2015 when the State Water Resources Control Board amended the Water Quality Control Plan for Ocean Waters of California (Ocean Plan) and the Water Quality Control Plan for Inland Surface Waters, Enclosed Bays, and Estuaries of California (ISWEBE Plan) and when they were approved by the California Office of Administrative Law and the U.S. Environmental Protection Agency.

The City must achieve full compliance with the Trash Order within ten years after the effective date of the first permit that implements this order (approximately 2029).

B. DISCUSSION

The Trash Order prohibits the discharge of trash into surface waters of the State from priority land use areas via the storm drain system. As defined by the Trash Order, priority land uses include high density residential, industrial, commercial, mixed urban, and public transportation stations.

For the purposes of this order, trash is defined as manmade materials that are 5 millimeters or larger in size (i.e.: size of a cigarette butt). Trash must be controlled

through the implementation of one of two compliance tracks, as defined by the Trash Order.

C. ANALYSIS

Staff convened internal discussions and a workgroup of key staff members to review and discuss compliance strategies. This also included staff attending multiple State Water Board meetings, participating in workshops throughout the region with the other San Diego County permittees, researching products, reviewing existing programs in Los Angeles and the Bay Area, and working with the City's legal firm BB&K to provide review and comments throughout the development of the State's Trash Regulations and Order.

COMPLIANCE OPTIONS

As stated within the Trash Order, each jurisdiction is required to implement either of the following compliance tracks:

Track 1: Install, operate, and maintain full capture systems for all storm drains that capture runoff from the priority land uses; or

Track 2: Install, operate, and maintain any combination of full capture systems, multi-benefit projects, other treatment controls, and/or institutional controls. The permittee may determine the locations or land uses within its jurisdiction to implement any combination of controls. The permittee must be able to demonstrate that such combination achieves full capture system equivalency. The permittee may determine which controls to implement to achieve compliance with full capture system equivalency. It is the State Water Board's expectation that the permittee will elect to install full capture systems where such installation is not cost-prohibitive.

Jurisdictions that elect to implement Track 2 are also required to submit an implementation plan to the San Diego Water Board within eighteen (18) months. The implementation plan is required to describe: (i) the combination of controls selected and the rationale for the selection, (ii) how the combination of controls is designed to achieve full capture system equivalency, and (iii) how full capture equivalency will be demonstrated. The implementation plan is subject to approval by the San Diego Water Board.

Both tracks have a compliance timeline of ten years and require annual reporting.

Jurisdictions will have the option to change Tracks through their adaptive management process, provided that supporting justification is submitted to the San Diego Water Board.

D. STAFF RECOMMENDATION

Based upon review and analysis of the two compliance track options, staff has selected compliance Track 1. In the long run, Track 1 will be most cost effective and pose the least amount of compliance liability. Furthermore, Track 1 implementation will result in the most efficient use of the City's resources. Under Track 1, the City will be required to install certified structural devices in storm drains and/or at storm drain outfalls that

convey runoff from priority land use areas (as defined by the Trash Order). Track 1 relieves the City of long term monitoring requirements and the obligation to demonstrate that other programmatic efforts are equally or more effective than structural controls.

E. THE WAY FORWARD

Over the past year, staff has identified ways to proactively plan for the long term implementation of the pending trash regulations. Some changes in policies and procedures have already been made to enable successful compliance with the Trash Order. Some of the efforts that have been taken in preparation for the Trash Order include:

- New fact sheets and a web page were created.
- New developments must install completely enclosed trash enclosures for the outside storage of trash, recycling, and rendering bins (recycled cooking oil).
- New developments must implement full trash capture devices within storm drain systems (inlet screens / baskets).
- CIP projects now include drainage system modifications to allow for full capture devices.
- Depending on the circumstances, certain redevelopment and tenant improvements may be required to retrofit existing trash enclosures to be fully contained.
- The Mast Park Improvement Project was revised to include grant funded water quality improvement and trash capture features.

Staff will be submitting the Track 1 selection letter to the State by September 5, 2017. By December 2018, staff will submit the City's final implementation plans to the State. Beginning in 2019, the City will begin installing, operating, and maintaining full capture systems. The City will be required to average 10% implementation progress for the following ten years, with one hundred percent compliance achieved by 2029.

ATTACHMENTS:

Trash Order

Examples of Trash Capture Devices

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN DIEGO REGION**

ORDER NO. R9-2017-0077

**AN ORDER DIRECTING THE OWNERS AND OPERATORS OF
PHASE I MUNICIPAL SEPARATE STORM SEWER SYSTEMS (MS4s)
DRAINING THE WATERSHEDS WITHIN THE SAN DIEGO REGION**

**TO SUBMIT REPORTS PERTAINING TO THE CONTROL OF TRASH
IN DISCHARGES FROM PHASE I MS4s
TO OCEAN WATERS, INLAND SURFACE WATERS,
ENCLOSED BAYS, AND ESTUARIES
IN THE SAN DIEGO REGION**

The California Regional Water Quality Control Board, San Diego Region (hereinafter San Diego Water Board) finds:

- 1. Trash Amendments.** On April 7, 2015, the State Water Board adopted Resolution No. 2015-0019, amending the Water Quality Control Plan for Ocean Waters of California (Ocean Plan) and the Water Quality Control Plan for Inland Surface Waters, Enclosed Bays, and Estuaries of California (ISWEBE Plan) to address the impacts of trash to the surface waters of California (referred to hereafter as the Trash Amendments). The effective date of the Trash Amendments is December 2, 2015.
- 2. Regional MS4 Permit.** Throughout the State, trash is typically generated on land and transported to surface water, predominantly through storm water discharges from MS4s. These storm water discharges occur in part from Phase I MS4s in the San Diego Region regulated through a regional general permit adopted by the San Diego Water Board (Regional MS4 Permit) pursuant to section 402(p) of the Clean Water Act. The term Regional MS4 Permit refers to the San Diego Water Board's Order No. R9-2013-0001, as amended by Order Nos. R9-2015-0001 and R9-2015-0100, NPDES No. CAS0109266, *National Pollutant Discharge Elimination System (NPDES) Permit and Waste Discharge Requirements for Discharges from the Municipal Separate Storm Sewer Systems (MS4s) Draining the Watersheds within the San Diego Region*.
- 3. Trash Amendments Implementation.** The Trash Amendments establish a statewide narrative water quality objective and implementation requirements to control trash, including a prohibition against the discharge of trash to ocean waters, inland surface waters, enclosed bays, and estuaries in California. For Phase I MS4 permittees with regulatory authority over priority land uses, the Trash Amendments require the San Diego Water Board to take certain steps towards implementation of the narrative water quality objective and prohibition by June 2, 2017 through requirements incorporated into the Regional MS4 Permit or through a monitoring and reporting order issued pursuant to Water Code section 13267 or 13383. The San Diego Water Board will not be amending the Regional MS4 Permit within the time frame specified by the Trash Amendments; therefore, the initial steps in planning for the implementation of the Trash Amendments are being required through this Order in accordance with Water Code

section 13383. The San Diego Water Board intends to incorporate the requirements of the Trash Amendments into the Regional MS4 Permit during its next reissuance in Fiscal Year 2018-19.

4. Persons Responsible for the Discharges of Trash. The owners and operators of Phase I MS4s are responsible for discharges of waste, including trash, from land uses and locations within their jurisdictions through their MS4s to ocean waters, inland surface waters, enclosed bays, and estuaries in the San Diego Region. In the San Diego Region, owners and operators of Phase I MS4s subject to the requirements of this Order (herein referred to as MS4 permittees) include the following entities:

- County of Orange
 - City of Aliso Viejo
 - City of Dana Point
 - City of Laguna Beach
 - City of Laguna Hills
 - City of Laguna Niguel
 - City of Laguna Woods
 - City of Lake Forest
 - City of Mission Viejo
 - City of Rancho Santa Margarita
 - City of San Clemente
 - City of San Juan Capistrano
 - Orange County Flood Control District
-
- County of Riverside
 - City of Murrieta
 - City of Temecula
 - City of Wildomar
 - Riverside County Flood Control and Water Conservation District¹
-
- County of San Diego
 - City of Carlsbad
 - City of Chula Vista
 - City of Coronado
 - City of Del Mar
 - City of El Cajon
 - City of Encinitas
 - City of Escondido
 - City of Imperial Beach
 - City of La Mesa
 - City of Lemon Grove
 - City of National City
 - City of Oceanside
 - City of Poway
 - City of San Diego
 - City of San Marcos
 - City of Santee
 - City of Solana Beach
 - City of Vista
 - San Diego County Regional Airport Authority
 - San Diego Unified Port District

5. Water Quality Objectives. The Trash Amendments established the following statewide narrative water quality objectives for trash in ocean waters, inland surface waters, enclosed bays, and estuaries in California.

¹ Riverside County Flood Control and Water Conservation District (District) lacks regulatory authority over Priority Land Uses. As noted in Finding 9.d of this Order, the Trash Amendments (Appendix D of the Ocean Plan Chapter III.L.2.d and Appendix E of the ISWEBE Plan Chapter IV.A.3.d) provide the San Diego Water Board with the authority to investigate whether specific land uses or locations within the District's jurisdiction generate substantial amounts of trash and determine that compliance with Track 1 or Track 2 trash control measures for those land uses or locations is necessary.

- a. The Trash Amendments established the following narrative water quality objective for trash in Chapter II.C.5 of Appendix D of the Ocean Plan:

“Trash shall not be present in ocean waters, along shorelines or adjacent areas in amounts that adversely affect beneficial uses or cause nuisance.”

- b. The Trash Amendments established the following narrative water quality objective or trash in Chapter III.A of Appendix E of the ISWEBE Plan:

“Trash shall not be present in inland surface waters, enclosed bays, estuaries, and along shorelines or adjacent areas in amounts that adversely affect beneficial uses or cause nuisance.”

Meeting these narrative water quality objectives for trash will be protective and supportive of numerous beneficial uses for the ocean waters, inland surface waters, enclosed bays, and estuaries in the San Diego Region, including but not limited to, wildlife habitat (WILD), marine habitat (MAR), preservation of rare and endangered species (RARE), fish migration (MIGR), navigation (NAV), and water contact and non-contact recreation (REC1 and REC2).

- 6. Trash Discharge Prohibition.** The Trash Amendments established the following discharge prohibition in Chapter III.I.6 of Appendix D of the Ocean Plan and Chapter IV.A.2 of Appendix E of the ISWEBE Plan:

“The discharge of trash to surface waters of the State or the deposition of trash where it may be discharged into surface waters of the State is prohibited.”

- 7. Regional MS4 Permit Implementation of the Trash Amendments.** The Trash Amendments require the incorporation of the trash narrative water quality objectives and discharge prohibition into the Regional MS4 Permit. The Regional MS4 Permit then will require the MS4 permittees to comply with the trash narrative water quality objectives and discharge prohibition through the implementation of one of two measures to be selected by the MS4 permittees.

To comply with the trash narrative water quality objectives and discharge prohibition, the MS4 permittees are required to implement either of the following measures:

Track 1: Install, operate, and maintain full capture systems for all storm drains that capture runoff from the priority land uses in their jurisdictions; or

Track 2: Install, operate, and maintain any combination of full capture systems, multi-benefit projects, other treatment controls, and/or institutional controls within either the jurisdiction of the MS4 permittee or within the jurisdiction of the MS4 permittee and contiguous MS4 permittees. The MS4 permittee may determine the locations or land uses within its jurisdiction to implement any combination of controls. The MS4 permittee shall demonstrate that such combination achieves full capture system equivalency. The MS4 permittee may determine which controls to implement to achieve compliance with full capture system equivalency. It is,

however, the State Water Board's expectation that the MS4 permittee will elect to install full capture systems where such installation is not cost-prohibitive.

The Trash Amendments require that within three (3) months of the effective date of this Order, each MS4 permittee is required to provide written notice to the San Diego Water Board stating whether the MS4 permittee elects to comply with the trash discharge prohibition by implementing Track 1 or Track 2. MS4 permittees that elect to implement Track 2 are also required to submit an implementation plan to the San Diego Water Board within eighteen (18) months of receipt of this Order. The implementation plan is required to describe: (i) the combination of controls selected by the MS4 permittee and the rationale for the selection, (ii) how the combination of controls is designed to achieve full capture system equivalency, and (iii) how full capture equivalency will be demonstrated. The implementation plan is subject to approval by the San Diego Water Board. Track 2 implementation plans will be deemed accepted by the San Diego Water Board ninety (90) days after submission unless otherwise directed in writing by the San Diego Water Board Executive Officer. MS4 permittees may elect to change Tracks through their adaptive management process during the compliance time schedule described in Finding 10, provided they submit supporting justification to the San Diego Water Board.

8. Full Capture System Equivalency. The Trash Amendments define full capture system equivalency as follows:

"Full capture system equivalency is the trash load that would be reduced if full capture systems were installed, operated, and maintained for all storm drains that capture runoff from the relevant areas of land (priority land uses, significant trash generating areas, facilities or sites regulated by NPDES permits for discharges of storm water associated with industrial activity, or specific land uses or areas that generate substantial amounts of trash, as applicable). The full capture system equivalency is a trash load reduction target that the permittee quantifies by using an approach, and technically acceptable and defensible assumptions and methods for applying the approach, subject to the approval of permitting authority. Examples of such approaches include, but are not limited to, the following:

(1) Trash Capture Rate Approach. Directly measure or otherwise determine the amount of trash captured by full capture systems for representative samples of all similar types of land uses, facilities, or areas within the relevant areas of land over time to identify specific trash capture rates. Apply each specific trash capture rate across all similar types of land uses, facilities, or areas to determine full capture system equivalency. Trash capture rates may be determined either through a pilot study or literature review. Full capture systems selected to evaluate trash capture rates may cover entire types of land uses, facilities, or areas, or a representative subset of types of land uses, facilities, or areas. With this approach, full capture system equivalency is the sum of the products of each type of land use, facility, or area multiplied by trash capture rates for that type of land use, facility, or area.

(2) Reference Approach. Determine the amount of trash in a reference receiving water in a reference watershed where full capture systems have been installed for all storm drains that capture runoff from all relevant areas of land. The reference watershed must be comprised of similar types and extent of sources of trash and land uses (including priority land uses and all other land uses), facilities, or areas as the permittee's watershed. With this approach, full capture system equivalency would be demonstrated when the amount of trash in the receiving water is equivalent to the amount of trash in the reference receiving water."

9. Land Uses and Locations Requiring Trash Controls. The Trash Amendments define land uses and locations that are to be controlled for trash discharges by MS4 permittees:

- a. *Priority Land Uses:* Those developed sites, facilities, or land uses (i.e. not simply zoned land uses) within a MS4 permittee's jurisdiction from which discharges of trash are regulated by the Ocean Plan or ISWEBE Plan as follows:
- High-density residential: all land uses with at least ten (10) developed dwelling units/acre.
 - Industrial: land uses where the primary activities on the developed parcels involve product manufacture, storage, or distribution (e.g., manufacturing businesses, warehouses, equipment storage lots, junkyards, wholesale businesses, distribution centers, or building material sales yards).
 - Commercial: land uses where the primary activities on the developed parcels involve the sale or transfer of goods or services to consumers (e.g., business or professional buildings, shops, restaurants, theaters, vehicle repair shops, etc.).
 - Mixed urban: land uses where high-density residential, industrial, and/or commercial land uses predominate collectively (i.e., are intermixed).
 - Public transportation stations: facilities or sites where public transit agencies' vehicles load or unload passengers or goods (e.g., bus stations and stops).
- b. *Equivalent Alternative Land Uses:* An MS4 permittee with regulatory authority over priority land uses may issue a request to the San Diego Water Board that the MS4 permittee be allowed to substitute one or more land uses identified above with an alternate land use within the MS4 permittee's jurisdiction that generates rates of trash that is equivalent to or greater than the priority land use(s) being substituted. The land use area requested to substitute for a priority land use need not be an acre-for-acre substitution but may involve one or more priority land uses, or a fraction of a priority land use, or both, provided the total trash generated in the equivalent alternative land use is equivalent to or greater than the total trash generated from the priority land use(s) for which substitution is requested. Comparative trash generation rates shall be established through the reporting of quantification measures such as street sweeping and catch basin cleanup records;

mapping; visual trash presence surveys, such as the “Keeping America Beautiful Visible Litter Survey”; or other information as required by the San Diego Water Board.

- c. *Coordination with California Department of Transportation (Caltrans)*. The Trash Amendments (Appendix D of the Ocean Plan Chapter III.L.2.b and Appendix E of the ISWEBE Plan Chapter IV.A.3.b) require that Caltrans and MS4 permittees coordinate their efforts to install, operate, and maintain full capture systems, multi-benefit projects, other treatment controls, and/or institutional controls in significant trash generating areas and/or priority land uses.
- d. *Specific Land Uses or Locations Determined by the San Diego Water Board*: The Trash Amendments (Appendix D of the Ocean Plan Chapter III.L.2.d and Appendix E of the ISWEBE Plan Chapter IV.A.3.d) provide the San Diego Water Board with the authority to determine that specific land uses or locations (e.g., parks, stadia, schools, campuses, or roads leading to landfills) generate substantial amounts of trash. In the event the San Diego Water Board makes that determination, the Board may require the MS4 permittees to comply with the requirements of the Trash Amendments with respect to such land uses or locations.

10. Compliance Time Schedule. The Trash Amendments require the implementing permit (i.e. the Regional MS4 Permit) to state that full compliance with the trash discharge prohibition shall occur within ten (10) years of the effective date of the first implementing permit. In addition, the Regional MS4 Permit must require the MS4 permittees to demonstrate achievements of interim milestones such as average load reductions of ten percent (10%) per year or other progress to full implementation. In no case may the final compliance date, which will be included in the Regional MS4 Permit, be later than fifteen (15) years from the effective date of the Trash Amendments (i.e. December 2, 2030).

11. Monitoring and Reporting. The Trash Amendments require the implementing Regional MS4 Permit to include monitoring and reporting requirements to ensure adequate trash control. The MS4 permittees will be required to provide reports to the San Diego Water Board on an annual basis to describe progress toward achieving full compliance with the trash discharge prohibition. The monitoring and reporting requirements are dependent on the measures elected to be implemented by a MS4 permittee².

12. Water Quality Improvement Plans and Jurisdictional Runoff Management Plans. The Regional MS4 Permit requires the MS4 permittees to develop and implement Water Quality Improvement Plans for ten (10) Watershed Management Areas, designated in the Regional MS4 Permit as shown in Table 1 below:

² The minimum monitoring and reporting requirements that will be considered for inclusion in the Regional MS4 Permit reissuance are described in the Trash Amendments at Appendix D: Chapter III, section L.5 of the Ocean Plan and Appendix E: Chapter IV, section A.6 of the ISWEBE Plan.

Table 1. San Diego Region Watershed Management Areas

Hydrologic Unit(s)	Watershed Management Area	Major Surface Water Bodies	Responsible MS4 permittees
San Juan (901.00)	South Orange County	<ul style="list-style-type: none"> - Aliso Creek - San Juan Creek - San Mateo Creek - Pacific Ocean - Heisler Park ASBS 	<ul style="list-style-type: none"> - City of Aliso Viejo - City of Dana Point - City of Laguna Beach - City of Laguna Hills¹ - City of Laguna Niguel - City of Laguna Woods¹ - City of Lake Forest² - City of Mission Viejo - City of Rancho Santa Margarita - City of San Clemente - City of San Juan Capistrano - County of Orange - Orange County Flood Control District
Santa Margarita (902.00)	Santa Margarita River	<ul style="list-style-type: none"> - Murrieta Creek - Temecula Creek - Santa Margarita River - Santa Margarita Lagoon - Pacific Ocean 	<ul style="list-style-type: none"> - City of Menifee³ - City of Murrieta⁴ - City of Temecula - City of Wildomar⁴ - County of Riverside - County of San Diego - Riverside County Flood Control and Water Conservation District
San Luis Rey (903.00)	San Luis Rey River	<ul style="list-style-type: none"> - San Luis Rey River - San Luis Rey Estuary - Pacific Ocean 	<ul style="list-style-type: none"> - City of Oceanside - City of Vista - County of San Diego
Carlsbad (904.00)	Carlsbad	<ul style="list-style-type: none"> - Loma Alta Slough - Buena Vista Lagoon - Agua Hedionda Lagoon - Batiquitos Lagoon - San Elijo Lagoon - Pacific Ocean 	<ul style="list-style-type: none"> - City of Carlsbad - City of Encinitas - City of Escondido - City of Oceanside - City of San Marcos - City of Solana Beach - City of Vista - County of San Diego
San Dieguito (905.00)	San Dieguito River	<ul style="list-style-type: none"> - San Dieguito River - San Dieguito Lagoon - Pacific Ocean 	<ul style="list-style-type: none"> - City of Del Mar - City of Escondido - City of Poway - City of San Diego - City of Solana Beach - County of San Diego
Penasquitos (906.00)	Penasquitos	<ul style="list-style-type: none"> - Los Penasquitos Lagoon - Pacific Ocean 	<ul style="list-style-type: none"> - City of Del Mar - City of Poway - City of San Diego - County of San Diego
	Mission Bay	<ul style="list-style-type: none"> - Mission Bay - Pacific Ocean - San Diego Marine Life Refuge ASBS 	<ul style="list-style-type: none"> - City of San Diego
San Diego (907.00)	San Diego River	<ul style="list-style-type: none"> - San Diego River - Pacific Ocean 	<ul style="list-style-type: none"> - City of El Cajon - City of La Mesa - City of San Diego - City of Santee - County of San Diego

Table 1. San Diego Region Watershed Management Areas

Hydrologic Unit(s)	Watershed Management Area	Major Surface Water Bodies	Responsible MS4 permittees
Pueblo San Diego (908.00) Sweetwater (909.00) Otay (910.00)	San Diego Bay	- Sweetwater River - Otay River - San Diego Bay - Pacific Ocean	- City of Chula Vista - City of Coronado - City of Imperial Beach - City of La Mesa - City of Lemon Grove - City of National City - City of San Diego - County of San Diego - San Diego County Regional Airport Authority - San Diego Unified Port District
Tijuana (911.00)	Tijuana River	- Tijuana River - Tijuana Estuary - Pacific Ocean	- City of Imperial Beach - City of San Diego - County of San Diego

Notes:

1. By agreement dated February 10, 2015, pursuant to Water Code section 13228, the Phase I MS4 discharges within the jurisdiction of the City of Laguna Hills and the City of Laguna Woods located in the Santa Ana Region are regulated by San Diego Water Board Order No. R9-2013-0001 as amended by Order No. R9-2015-0001, upon the later effective date of Order No. R9-2015-0001 or Santa Ana Water Board Tentative Order No. R8-2015-0001. The City of Laguna Hills and Laguna Woods must also comply with the requirements of the San Diego Creek/Newport Bay TMDL in section XVIII of Santa Ana Water Board Order No. R8-2015-0001.
2. By agreement dated February 10, 2015, pursuant to Water Code section 13228, Phase I MS4 discharges within the City of Lake Forest located within the San Diego Water Board Region are regulated by the Santa Ana Water Board Order No. R8-2015-0001 (NPDES No. CAS618030) upon the later effective date of this Order or Santa Ana Water Board Tentative Order No. R8-2015-0001. In accordance with the terms of the agreement between the San Diego Water Board and the Santa Ana Water Board, the City of Lake Forest must implement the requirements of the Bacteria TMDL in Attachment E of this Order, participate in preparation and implementation of the Water Quality Improvement Plan for the Aliso Creek Watershed Management Area as described in Provision B of this Order and continue implementation of its over-irrigation discharge prohibition in its City Ordinance, Title 15, Chapter 15, section 14.030, List (b).
3. By agreement dated October 26, 2015, pursuant to Water Code section 13228, Phase I MS4 discharges within the City of Menifee located within the San Diego Water Board Region are regulated by the Santa Ana Water Board Order No. R8-2010-0033 as it may be amended or reissued (NPDES No. CAS618033) upon the later effective date of this Order. In accordance with the terms of the agreement between the San Diego Water Board and the Santa Ana Water Board, the City of Menifee must participate in preparation and implementation of the Water Quality Improvement Plan for the Santa Margarita River Watershed Management Area as described in Provision B of this Order.
4. By agreement dated October 26, 2015, pursuant to Water Code section 13228, the Phase I MS4 discharges within the jurisdiction of the City of Murietta and the City of Wildomar located in the Santa Ana Region are regulated by San Diego Water Board Order No. R9-2013-0001 as amended by Orders No. R9-2015-0001 and R9-2015-0100. The City of Murietta and City of Wildomar must also comply with the requirements of the Lake Elsinore/Canyon Lake Nutrient TMDLs in section VI.D.2 of Santa Ana Water Board Order No. R8-2010-0033, or corresponding section as it may be amended or reissued.

The Water Quality Improvement Plans include the following: (a) identification of priority water quality conditions that need to be addressed to improve the water quality in each Watershed Management Area; (2) numeric goals for the highest priority water quality conditions to be achieved that will demonstrate discharges from the MS4s are not causing or contributing to exceedances of applicable water quality objectives, or water quality objectives are being attained in receiving waters; (3) a description of the water quality improvement strategies that will be and may be implemented to achieve the numeric goals; and (4) schedules for implementing the water quality improvement strategies and achieving the numeric goals.

The Regional MS4 Permit also requires incorporation of implementation plans for applicable Total Maximum Daily Loads (TMDLs) and Areas of Special Biological Significance (ASBS), which include interim and final water quality-based effluent limitations, compliance strategies, and compliance schedules, into the Water Quality Improvement Plans.

In addition to Water Quality Improvement Plan development, each MS4 permittee is also required to develop and implement a jurisdictional runoff management plan (JRMP) that describes how specific strategies in the Water Quality Improvement Plans will be implemented by each MS4 permittee. While the JRMPs are not explicitly part of the Water Quality Improvement Plan, reporting relating to JRMP programs is accomplished through the Water Quality Improvement Plan annual reporting process.

The implementation measures, interim milestones, and compliance schedules for Track 1 or Track 2 of the Trash Amendments shall also be incorporated into either the Water Quality Improvement Plans, the JRMPs, or a combination of the two, to be implemented by the MS4 permittees as part of the adaptive management process.

Compliance with the Trash Amendments is based on implementation of specific measures to control trash within a MS4 permittee's jurisdiction; however, inclusion of trash control strategies may be beneficial on a watershed scale. Through the issuance of this Order pursuant to Water Code section 13383, the San Diego Water Board intends the MS4 permittees to incorporate the requirements of the Trash Amendments into either the Water Quality Improvement Plans, the JRMPs, or a combination of the two, after reissuance of the Regional MS4 Permit. Reporting on implementation measures to comply with the Trash Amendments will be required through jurisdictional runoff management program annual report forms, which are submitted as part of the Water Quality Improvement Plan Annual Reports.

13. Basis for Requiring Submittals from MS4 Permittees. This Order is issued under federal authority. The water quality objectives established by the Trash Amendments described in Finding 5 serves as a water quality standard federally mandated under Clean Water Act section 303(c) and the federal regulations (33 U.S.C. § 1312, 40 C.F.R. § 131). This water quality standard was specifically approved by the United States Environmental Protection Agency (USEPA) following adoption by the State Water Board and approval by the Office of Administrative Law. This Order requests information necessary for MS4 permittees to plan for implementation of actions to achieve the water quality standard for trash. Further, the water quality standard expected to be achieved pursuant to the Trash Amendments may allow each water body impaired by trash and already on the Clean Water Act section 303(d) list to be removed from the list, or each water body subsequently determined to be impaired by trash to not be placed on the list, obviating the need for the development of a total maximum daily load (TMDL) for trash for each of those water bodies (33 U.S.C. § 1313(d); 40 C.F.R. § 130.7). In those cases, the specific actions that will be proposed by the MS4 permittees in response to this Order substitute for some or all the actions that would otherwise be required consistent with any waste load allocations in a trash TMDL (40 C.F.R. § 122.44, subd. (d)(1)(vii)(B)). Accordingly, this Order is issued pursuant to federal law. Consistent with the Trash Amendments, this Order nevertheless allows MS4 permittees flexibility in the specific actions they propose to meet the federal requirements.

14. California Environmental Quality Act. Issuance of this Order is not subject to CEQA in accordance with section 15061(b)(3) of Chapter 3, Title 14 of the CCR because it can be seen with certainty that there is no possibility that the required activities in question may have a significant effect on the environment.

IT IS HEREBY ORDERED, pursuant to California Water Code section 13383, that the MS4 permittees must comply with the following directives:

A. REQUIRED SUBMITTALS³

- 1. Written Notices.** Each MS4 permittee identified in Finding 4 must submit to the San Diego Water Board, **no later than three (3) months from the date of this Order (September 5, 2017)**, a written notice stating whether the MS4 permittee will implement Track 1 or Track 2 to comply with the trash discharge prohibition in the Ocean Plan and ISWEBE Plan.
- 2. Track 1 Jurisdictional Maps and Time Schedule.** Each MS4 permittee identified in Finding 4 electing to comply with Track 1 must submit the following information **no later than eighteen (18) months from the date of this Order (December 3, 2018)**:
 - a. A jurisdictional map identifying Priority Land Uses, the corresponding storm drain network including all storm drain inlets and drainage, proposed full capture system installation locations and associated drainage areas; *and*
 - b. A time schedule to achieve full compliance with the trash discharge prohibition, including interim milestones (such as average load reductions of ten percent per year or other progress) to full implementation. The final compliance date must not be later than fifteen (15) years from the effective date of the Trash Amendments (i.e. December 2, 2030).
- 3. Track 2 Implementation Plans.** Each MS4 permittee identified in Finding 4 electing to comply with Track 2 must submit, **no later than eighteen (18) months from the date of this Order (December 3, 2018)**, an implementation plan that describes:
 - a. The combination of controls⁴ selected by the MS4 permittee and the rationale for each selection;
 - b. How the combination of controls is designed to achieve full capture system equivalency;
 - c. How full capture system equivalency will be demonstrated;
 - d. How the implemented controls identified in the trash implementation plans will be monitored and assessed in jurisdictional runoff management program or Water Quality Improvement Plan Annual Reports;
 - e. Proposals by MS4 permittees, if any, to substitute Priority Land Uses described in Finding 9 above with other locations or land uses, provided that the total trash

³ Directives A.1, A.2, A.3, and A.5 do not apply to the Riverside County Flood Control and Water Conservation District because it does not have land use authority over Priority Land Uses.

⁴ Controls include full capture systems, multi-benefit projects, other treatment controls, and/or institutional controls, as defined in Appendix D of the Ocean Plan and Appendix E of the ISWEBE Plan.

generated in other locations or land uses is equivalent to, or greater than, the total trash generated in the Priority Land Use being substituted; *and*

- f. A time schedule to achieve full compliance with the trash discharge prohibition, including interim milestones (such as average load reductions of ten percent per year or other progress) to full implementation. The proposed final compliance date must not be later than fifteen (15) years from the effective date of the Trash Amendments (i.e. December 2, 2030).

4. Identification of Substantial Trash Generating Land Uses or Locations Within Riverside County Flood Control and Water Conservation District's Jurisdiction. The Riverside County Flood Control and Water Conservation District (District) must submit, **no later than eighteen (18) months from the date of this Order (December 3, 2018)**, a report identifying land uses or locations within its jurisdiction including but not limited to, facilities, drainage structures, and easements that generate a substantial amount of trash.

5. Coordination with Caltrans. Each MS4 permittee identified in Finding 4 must submit, **no later than eighteen (18) months from the date of this Order (December 3, 2018)**, a description of how MS4 permittees will coordinate their efforts to install, operate, and maintain full capture systems, multi-benefit projects, and other controls with Caltrans in significant trash generating areas and/or priority land uses, as applicable.

B. PROVISIONS

1. Signatory Requirements. All documents submitted to the San Diego Water Board must be signed and certified.

a. All reports required by this Order must be signed as follows:

- (1) For a corporation, by a principal executive officer of at least the level of vice-president;
- (2) For a partnership or sole proprietorship, by a general partner or the proprietor, respectively;
- (3) For a municipality, state, federal or other public agency, by either a principal executive or ranking elected official.
- (4) By a duly authorized representative of the person designated above (B.1.a.(1), B.1.a.(ii), or B.1.(a)(iii)). A person is a duly authorized representative only if:

- (a) The authorization is made in writing by a person described in paragraph B.6.a above;

(b) The authorization specifies either an individual or position having responsibility for the overall operation of the regulated facility or activity; and

(c) The written authorization is submitted to the San Diego Water Board.

b. Any person signing a document required by this Order must make the following certification:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

2. Submittal of Documents. All documents submitted to the San Diego Water Board in compliance with this Order must be submitted in electronic format (compact disk (CD-ROM or CD) in a Portable Document Format (PDF), unless otherwise directed. All electronic format documents required under this Order must be submitted to:

Executive Officer
California Regional Water Quality Control Board
San Diego Region
2375 Northside Drive, Suite 100
San Diego, CA 92108
Attn: Laurie Walsh, PE, Storm Water Management Unit

3. Changes to Order. This Order may be amended, rescinded, or updated by the Executive Officer. The MS4 permittees may propose changes or alternatives to the requirements in this Order if a valid rationale for the changes is shown. The filing of a request by a MS4 permittees for amending, rescinding, or updating this Order, or notification of planned changes or anticipated noncompliance does not stay any condition of this Order.

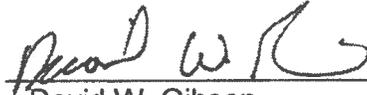
C. NOTIFICATIONS

- 1. Enforcement Discretion.** The San Diego Water Board reserves its right to take any enforcement action authorized by law for violations of the terms and conditions of this Order.
- 2. Requesting Administrative Review by the State Water Board.** Any aggrieved person may petition the State Water Board regarding this Order in accordance with Water Code section 13320 and the California Code of Regulations title 23 sections 2050 and following. The State Water Board must receive the petition by 5:00 p.m.,

30 days following the date of this Order. Copies of the laws and regulations applicable to filing petitions may be found on the State Water Board website at http://www.waterboards.ca.gov/public_notices/petitions/water_quality or will be provided upon request.

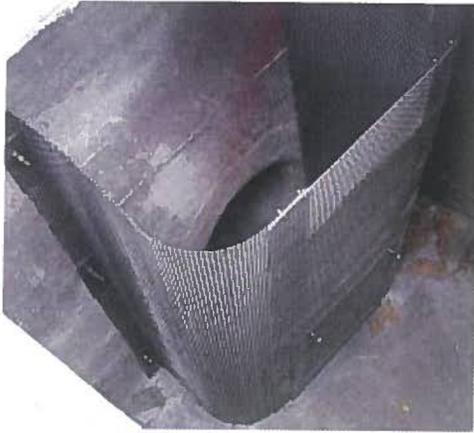
For instructions on how to file a petition for review, see the State Water Board website at: http://www.waterboards.ca.gov/public_notices/petitions/water_quality/wqpetition_instr.shtml

Ordered By: _____

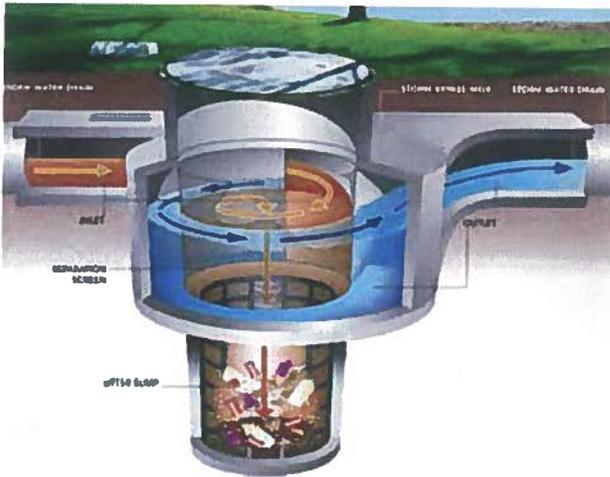


David W. Gibson
EXECUTIVE OFFICER
June 2, 2017

Staff Report Exhibit: Trash Capture Devices



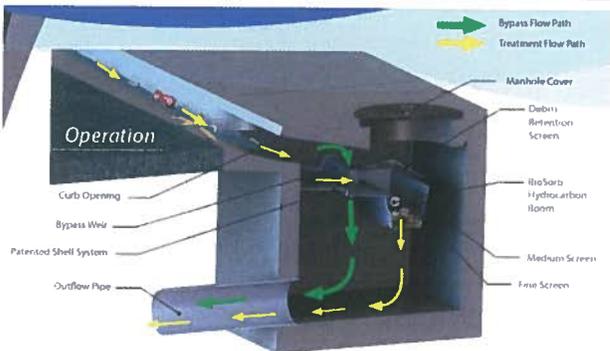
Connector Pipe Screen Installed In A Catch Basin



Hydrodynamic Separator



Curb Inlet Guard



Inlet Basket